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WEST EUROPE REPORT

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CONTENTS

THEATER FORCES

NETHERLANDS

- Parliamentarian on Arms Talks, Missile Siting
(Ton Frinking; NRC HANDELSBLAD, 23 Jan 82)..... 1

ENERGY ECONOMICS

FINLAND

- Country's Largest Power Firm Sees Gain From Nuclear Plants
(HUFVUDSTADSBLADET, 17 Dec 81)..... 4
- Finland Enters Talks With USSR on Arctic Oil Projects
(Markku Hurmeranta; HELSINGIN SANOMET, 12 Jan 82)..... 7

SPAIN

- Detailed Report on Nuclear Powerplant Construction
(LUZ Y FUERZA, Nov-Dec 81)..... 12
- Long-Term Energy Program Reviewed
(LUZ Y FUERZA, various dates)..... 17

ECONOMIC

INTERNATIONAL AFFAIRS

- Fund To Promote Industrial Cooperation of Sweden, Norway Starts
(AFTENPOSTEN, 14 Dec 81)..... 26

DENMARK

Briefs

- Production, Employment Drop Likely 28

DENMARK/GREENLAND

Briefs

- Denmark's Resource Right Disputed 29

FINLAND

Decisions on Economy Await Elections as Downturn Continues

- (Editorial, Per-Erik Lonnfors; HUFVUDSTADSBLADET,
6 Dec 81)..... 30

Article Examines Structure, Trends of East Bloc Trade

- (Hilkka Kunnas; SUOMEN KUVALEHTI, 4 Dec 81)..... 32

As Need for USSR Oil Decreases, Trade Problems Appearing

- (Matti Virkkunen; SUOMEN KUVALEHTI, 4 Dec 81)..... 40

Trade With Poland Continues Steady Decline

- (HUFVUDSTADSBLADET, 15 Dec 81)..... 42

Air Industry Looks for New Projects After Vinka

- (UUSI SUOMI, 9 Jan 82)..... 44

Briefs

- Koivisto's Economic Policies Attacked 46

FRANCE

New Law Reduces Work Week to 39 Hours, Affects Vacation Days

- (LE NOUVEL ECONOMISTE, 4 Jan 82)..... 47

NETHERLANDS

Opposition From Labor, Management to Den Uyl's Jobs Plan

- (Dieudonnee ten Berge; ELSEVIERS MAGAZINE, 16 Jan 82)..... 49

NORWAY

Industry Federation's Forecast Sees 1982 Downturn

- (AFTENPOSTEN, 17 Dec 81)..... 53

Loss of International Competitiveness Is Major Concern

- (Kjell Aaserud; AFTENPOSTEN, 19 Dec 81)..... 55

Paper Urges Action To Dampen Wages-Costs Pressure

- (Editorial; AFTENPOSTEN, 21 Dec 81)..... 57

SWEDEN

Government Submits Austerity Budget With Large Deficit (SVENSKA DAGBLADET, 12 Jan 82).....	59
Social Services Hard Hit, by Hans O. Alfredsson Improvement Seen by End of Year Falldin Defends His Budget, Thorbjorn Falldin Interview Paper Comments on Budget Proposal, Editorial	

POLITICAL

BELGIUM

Flemish Social Christian van Rompuy on New Government (KNACK, 23 Dec 81).....	69
Socialists' Spitaels on New Central, Regional Governments (Guy Spitaels; LE SOIR, 2-4 Jan 82).....	74

DENMARK

Article Traces Funds From USSR to Peace Organization (BERLINGSKE TIDENDE, 22 Nov 81).....	77
--	----

DENMARK/GREENLAND

Danes on U.S. Bases Have Too Great Influence, Says Labor Chief (Chr. Brondum; BERLINGSKE TIDENDE, 5 Feb 82).....	81
---	----

FEDERAL REPUBLIC OF GERMANY

Coalition's Moderate Poland Policy Seen in Jeopardy (DER SPIEGEL, 18 Jan 82).....	84
--	----

FINLAND

Organs of Disputing Wings in CP Interpret President Vote (KANSAN UUTISET, 21, 27 Jan 82, TIEDONANTAJA, various dates).....	87
Moderates' Organ on Election, Editorial Stalinist Organ: Key Was Personality, Protest, Editorial Moderates' Paper Hails Victory of Left, Editorial Stalinist Organ "Hopes" Kekkonen Policy Continues, Editorial Moderates' Paper in Oulu Attacked	

Max Jakobson Looks at Foreign Policy Challenges Ahead (SUOMEN KUVALEHTI, 4 Dec 81).....	93
FRANCE	
Nature of, Causes for PCF Election Losses Examined (Francois Platone, Jean Ranger; REVUE FRANCAISE DE SCIENCE POLITIQUE, Oct-Dec 81).....	97
Neutralism, Anti-Americanism, Europe's Future Examined (Pierre Emmanuel; LE MONDE, 16 Jan 82).....	115
West's Policies in Mideast, East Europe Affect Peace Hopes (Philippe de Saint-Robert; LE MONDE, 16 Jan 82).....	117
Singapore Aid Cites ASEAN Concern at Franco-Vietnamese Ties (LE MONDE, 26 Jan 82).....	120
ICELAND	
Marxist Party Echoes Government, Right on Poland (THJODVILJINN, 16 Dec 81, MORGUNBLADID, 17, 19 Dec 81).....	122
Marxist Party Organ Comments, Editorial Althing Unanimous in Condemnation, Editorial Paper Comments on Aid Dilemma, Editorial People's Alliance MP, Editor Comment, by Staksteinar Althing Aid Bill	
NORWAY	
Christian People's Party Chief Comments on Bourgeois Unity (Kare Kristiansen; DAGBLADET, 14 Dec 81).....	128
Conservative Government Seen Retreating on Security (Pal Nordenborg; ARBEIDERBLADET, 16 Dec 81).....	130
Communist Party Organ Reports on Congress (FRIHETEN, 8 Dec 81).....	132
Labor Party Chief Bundtland: A Nordic 'Zone' in Future (ARBEIDERBLADET, 16 Dec 81).....	134
Labor Party Divided on NATO INF Decision (Ragnar Kvam Jr; DAGBLADET, 17 Dec 81).....	135
SPAIN	
Signs of Early Elections Deemed Unmistakable (Carlos Elordi; LA CALLE, 13-19 Jan 82).....	136

TURKEY

Commentary Equates Polish, Turkish Situations (LE MONDE, 26 Dec 81).....	140
---	-----

MILITARY

DENMARK

Defense Minister Defends Bills in Folketing Debate (BERLINGSKE TIDENDE, 3 Feb 82).....	142
Former Naval Commander Criticizes Forces Reorganization (Jorgen Petersen; BERLINGSKE TIDENDE, 3 Feb 82).....	144

SWEDEN

Armed Forces Capabilities To Resist Attack Examined (DAGENS NYHETER, various dates).....	146
Army Materiel Budget Hurts Effectiveness, by Olle Rossander	
Attack Craft Shortages Worry Air Force, by Peter Bratt	
Navy Depends on Light Craft, Mines, by Olle Rossander, Lars Dahl	

GENERAL

DENMARK/GREENLAND

Egedesminde Seen Becoming 'Greenland's Christiania' (Chr. Brondum; BERLINGSKE TIDENDE, 2 Feb 82).....	169
--	-----

PARLIAMENTARIAN ON ARMS TALKS, MISSILE SITING

Rotterdam NRC HANDELSBLAD in Dutch 23 Jan 82 p 7

[Article by Ton Frinking, CDA [Christian Democratic Appeal] member of the Second Chamber: "No Decision Yet Necessary on Stationing of Nuclear Missiles"]

[Text] We want to organize our lives according to our own ideas and not dance to the Soviet Union's tune. That means that the Western European countries want to be able to conduct a policy, which does not necessarily comply with the desires of that great power. A condition for that is a balance in military forces between East and West. It is a balance which is also necessary to prevent the outbreak of a war.

For the NATO countries, it is a question in these years of what political and military answer the West must give to restrain the Soviets in the further development and use of their military and also political power. Giving an answer is not a simple matter and certainly not a Dutch problem only.

Since the Netherlands has achieved security in an alliance and has wanted to make itself dependent on the efforts of a group of like-minded countries, Dutch security policy's room for maneuver is voluntarily limited. One is not always aware of that here. The result does not require being tied to other countries' apron strings. There is room enough for an original and constructive Dutch contribution to the NATO alliance, based on our own interests and insights. But certainly within limits, which are based on demands to be made on collective security and solidarity.

What does this mean for Dutch security policy? During the latest general political discussions, the parliamentary group leader, Lubbers, asked for a new analysis of the international security situation, also as a basis for the 1982 defense budget.

The conclusions from this analysis would have to be discussed in bilateral consultations with certain allies, including the FRG, so

that decision making afterwards in the parliament is based on as extensive information as possible.

In my opinion, the following considerations apply especially in this analysis.

1. The Netherlands is a full-fledged NATO member. That means a policy based on detente and defense. Being a full-fledged NATO member implies providing an adequate military contribution and sharing in the common risks, including the nuclear. The denuclearization of the Netherlands, something which, moreover, none of the four big political parties have in mind, does not fit in that. Nuclear pacifism leads to conventional deterrence and this could not prevent two world wars.

2. A successful detente policy involves the effective implementation of the Helsinki Final Act. With that, the cause of our security problem, mutual suspicion, can be attacked. The trial conference in Madrid, which is dragging along, should now be rapidly concluded with a mandate for a European Disarmament Conference and new talks about economic cooperation and human rights. The disarmament conference should concentrate in the first stage on measures arousing confidence, which reveal the mutual military activities.

Finding good verification methods for that, will also contribute to the progress of armaments control talks, because we face the same problem there. Could we also reach agreements about limitation of the production of new weapons, before it is begun? The western policy would only really succeed if the military elite in the Kremlin is deprived of the arguments to always demand more of their share of the cake.

3. The nuclear risks must be reduced. Nuclear weapons, which are introduced to increase conventional combat strength, have an unessential assignment. The real function of nuclear weapons is to prevent a war. In that function they must be able to reach the Soviet Union's territory and threaten strategic nuclear systems and military production industries there.

Several short range nuclear systems, which force the other party to spread his conventional forces in a war situation are an exception to this. After the preparation of the NATO study involved, an evaluation and a conclusion can be reached about the present day Dutch nuclear assignments in the defense budget. Nuclear risks are likewise reduced as a better political philosophy is developed about how we must proceed with the remaining short range nuclear weapons. The improvement of command and control systems is also connected with that.

The NATO dual decision is a fact. The present negotiations about medium range missiles are based on that decision. The Netherlands

will decide about stationing on its territory in the light of the negotiations. Objections about the large number of 572 existed from the very beginning. The question is what price the Soviet Union must pay to prevent the stationing of new missiles in Europe. Moreover, it is important to place the Geneva negotiations as rapidly as possible in a broader framework and incorporate them in negotiations about strategic weapons (START). Agreements on the mutually allowed number of nuclear weapons should lead to differences in sub-totals per weapon system, also by region.

When does the Netherlands make a decision about stationing? In December 1979, the Netherlands did not want to decide because priority was given to negotiations, which could lead to a limitation of armaments plans. This emphasis on negotiations implies the need to reach an evaluation of their progress. Government and parliament, now that the negotiations have started, must wait a definite period for that purpose, to define the concept, for example, 2 years.

In so doing, we show the allies that we take seriously our membership and the agreements connected with it.

The negotiations must have a good chance to succeed. With satisfactory success at Geneva, stationing in the Netherlands and perhaps in other countries will be superfluous. That is not a prescription for doing nothing. It would be too ridiculous, if as a result of insufficient willingness to compromise by the United States, the Netherlands, among others, would have to station the missiles assigned. With favorable progress of the current negotiations, there is likewise reason to decide on possible stationing in the expectation of definite results or the alliance's unity would really be threatened, which I do not now assume. Only definite unwillingness on the Soviet side to reach reasonable agreements, can be a cause for making a fundamental decision about stationing.

We cannot ignore the contradictions between East and West. There are no wonder drugs to eliminate them. Peace and security demand hard work with much dedication and imagination and more openness and explanation with the people.

That must be brought up, even in the Netherlands.

8490

CSO: 3105/84

COUNTRY'S LARGEST POWER FIRM SEES GAIN FROM NUCLEAR PLANTS

Helsinki HUFVUDSTADSBLADET in Swedish 17 Dec 81 p 14

[Article by BoF.]

[Text] This year's abundant precipitation also brought with it some advantages: coupled with high operating capacity, the power firm Imatran Voima Oy (IVO) has used less than 5 percent of last year's coal consumption at its steam generating plant. Compared to 2.6 million tons in 1980, IVO estimates it will use 120,000 tons this year.

"This means a foreign currency saving of approximately 700 million markkaa. This figure is not included in this year's tariff statistics since we were forced to deplete our coal stocks last year and had to replenish them this year by about 2 million tons," said the government power firm's project director, Kalervo Nurmimäki.

IVO's managing director, mining counselor Pentti Alajoki, believes it might be possible to hold the price of electricity next year. He even thinks it might be possible to lower summer and night rates by maybe a penny per kilowatt-hour to regular big consumers.

"Generally speaking, it must be said that the price of electricity is still too high in Finland. The price is clearly lower in Sweden, and hence it is our duty to try to lower the price so as not to diminish the industry's competitiveness in relation to other countries," said Alajoki.

Nuclear Energy Profitable

The main reason for the cheaper electricity in Sweden is that approximately two-thirds of it comes from old power plants with low capital outlays. Furthermore, nuclear plants provide reasonable electricity.

"Nuclear energy is one way of holding down costs and the price of electricity. Therefore, it is important to gain general public acceptance of nuclear power. IVO intends to prove that nuclear energy is profitable and that it pays to be an electric consumer," said Alajoki.

He estimates that it costs IVO 12 to 13 pennis per kilowatt-hour to produce electricity today using coal as fuel. In the nuclear power plant, the comparative cost is 4.5 pennis. The difference is considerably reduced if we take into account capital outlays for nuclear plants. Using oil as fuel further adds to the production costs, making it unprofitable.

The price of electricity is usually established twice a year. Alajoki now believes it might be possible to reduce summer and night rates in the upcoming price agreement scheduled for March-April.

"However, that decision will not be made by us, but by the Department of Industry. And fundamentally, it cannot take a position ahead of time since no one has yet sought to lower consumer prices," noted Alajoki.

Good Years for Electricity

Imatran Voima expects to continue the conversion from oil to alternative forms of energy.

"Rapid changes in consumption in part increased the use of electricity. As a rather indigenous and easy source of energy, electricity will continue to hold a strong position in the future as well," according to Alajoki.

As far as IVO is concerned, the latest development is a good result this year and probably next year too. The books have not been balanced yet, but Alajoki estimates that earnings will result in higher dividends for the owner--the government.

The total sales this year will approach 16 TWh (terawatt-hours = billion kilowatt-hours). IVO estimates that sales will bring in 3.07 billion markkaa, compared to 2.546 billion last year. Consumption increased by only 3.7 percent, compared to a peak gain of 13.5 percent during one of the "mad" years at the beginning of the seventies. Among other IVO expenses for the year, the tax on electric sales amounts to 122 million markkaa. Next year this tax will go up by 0.1 percent.

"I have never been opposed to the tax on electric sales, which makes an otherwise expensive energy even more expensive," commented Alajoki. With the tax on electric sales and another 55 million markkaa in direct taxes, IVO is an important source of money for the government.

"Inga Alternative to Nordsjo"

Although coal consumption was exceptionally low this year due to external circumstances, IVO expects to use over 2 million tons of coal annually in connection with its nuclear power plants during the second half of the eighties. According to agreements now in force, 1.5 million tons should come from Poland, but this year IVO was able to import only 570,000 tons. The company does not dare to figure on large amounts of Polish coal in the next few years, either. However, coal can be obtained elsewhere at a reasonable price with improved transportation and storage facilities.

"Importation of coal from far-away places means higher freight costs, but we are trying to eliminate that by using larger vessels," Nurmimäki pointed out.

With VoV's assistance, work is now underway to deepen the Inga harbor, where IVO and Oy Lohja Ab together are expanding the present harbor and storage facilities. The plan is to provide a 13-meter deep passage for the so-called Panamax vessels, weighing 70,000 to 75,000 tons fully loaded.

"With the expansion of the Inga harbor, we can offer an alternative to Helsinki's plans to establish a coal-fired power plant at Nordsjo," said Nurmimaki.

8952

CSO: 3109/73

FINLAND ENTERS TALKS WITH USSR ON ARCTIC OIL PROJECTS

Helsinki HELSINGIN SANOMAT in Finnish 12 Jan 82 p 27

[Article by Markku Hurmeranta: "Arctic Project Raises Hopes in Finnish Firms"]

[Text] A speech touting the merits of trade between Finland and the Soviet Union is not suitable for drawing room conversation according to the current liturgy without a mention of Arctic projects.

The project aimed at exploiting the oil- and gas reserves of the Barents Sea is still in its initial phase, but in the future it is hoped that it will accelerate Finnish exports to the Arctic areas of the USSR.

In certain connections the Arctic project has been used to depict all exports directed toward the northern areas of the Soviet Union. However, it actually refers to the exploitation of the energy reserves of the Soviet continental shelf in the area of the Barents Sea.

Finnish firms hope that the project will mean a continuation of exports to Arctic areas, a trade which has been opened up by icebreakers as well as other specialized ships.

At this time Finland's exports to the Arctic areas of the Soviet Union are worth approximately 1 billion rubles or more than 9 billion markkas. The ships intended for northern areas in the quotas contained in the skeleton agreement between the two countries as well as certain construction projects in Siberia are included in this figure.

Success in obtaining orders in connection with the Arctic project does, however, require a considerable effort in research. According to a rough estimate the proportion of product development and research in Arctic projects will amount to approximately 10 percent while in other areas of technology it fluctuates between 1 and 3 percent.

Agreement on Cooperation in Near Future

Finland is already at this time involved in the Barents Sea project through scientific-technical cooperation between the two countries. Two members of the State Technical Research Center and one representative of the Geological Research Insti-



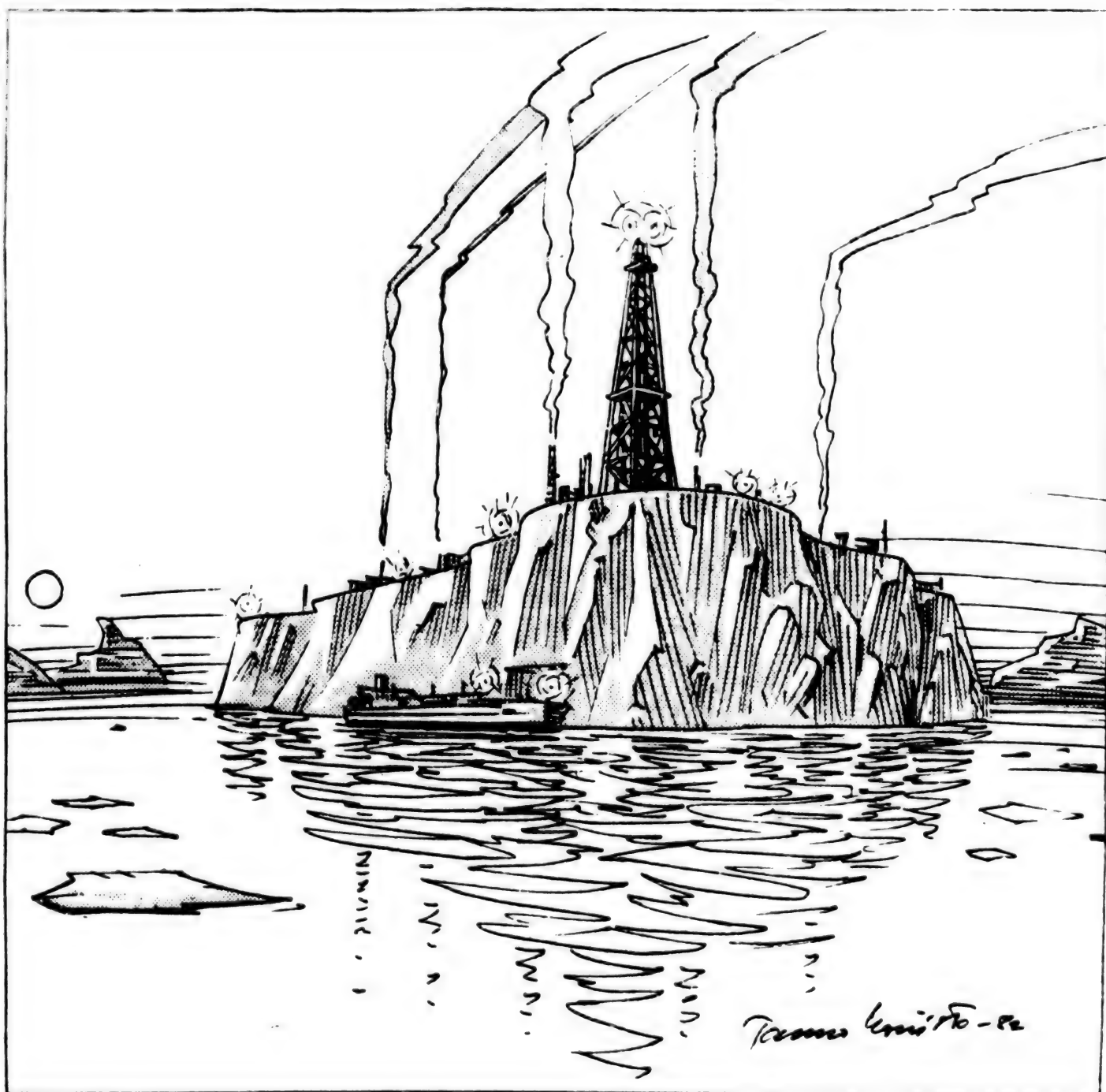
Differences of opinion between Norway and the USSR on the control of the Barents Sea have complicated the commencement of drilling. Negotiations between the two countries on the gray zone are at this time still on ice.

Key:

- | | |
|-----------------------------|--|
| 1. Boundary of iceberg area | 6. Boundary between Norwegian and USSR sectors |
| 2. Frans Joseph Land | 7. Boundary between Norway and USSR |
| 3. Icebergs | 8. Norway |
| 4. Barents Sea | 9. Soviet Union |
| 5. Novaya Zemlya | |

tute belong to the work group on Arctic technology that is involved in the preparation of the technical cooperation program between Finland and the Soviet Union.

Among enterprises represented either as actual members or experts in the work group are Wartsila, Rauma-Repola, Valmet, Hollming, Finn-Stroi, Lohja, Partek, and Neste. In addition to these, the work group also has a representative from the Joint Finnish-Soviet Economic Commission as well as the Ministry of Trade and Industry.



The cooperative program concerning the Arctic project between the two countries will be signed in the near future in Helsinki.

In the initial stage of the project the greatest opportunities for Finnish firms will be found in the continuation of orders for specialized ships, estimated Professor Pauli Jumppanen of the State Technical Research Center, who is directing the Finnish side of the work group.

Various types of search- and research vessels, transportation equipment capable of navigating under difficult conditions, dredging vessels, and so on will be needed in the area. It is expected that approximately 20 different types of ships will be needed in this phase.

Wartsila, Valmet, and Rauma-Repola, among others, have already previously operated in the Arctic areas of the Soviet Union. In addition to icebreakers, Wartsila is interested in the possible delivery of Arctic cargo ships, dredgers, and air cushion ships in connection with the Barents Sea project. Valmet and Hollming have, for their part, expressed an interest in the planning of research- and search ships.

Rauma-Repola Negotiating on a Drilling Platform

Rauma-Repola has already delivered one of the three drilling platforms ordered by the Soviet Union. Negotiations are currently being conducted with the Soviet Union on an order for a jack-up type search platform. The transaction has been in the mill for a long time already and, as far as is known, Rauma-Repola is currently negotiating the details with the client.

The actual commencement of production in northern areas, however, presupposes the development of a completely new type of marine construction technology. The greatest challenge for the Arctic project will be the planning of a drilling platform that can withstand icy conditions.

For the purpose of drilling, plans are being made to construct ice islands, on which experiments were conducted in Canadian Arctic waters in the middle of the 1970's.

Another possibility is to construct earth islands or so-called aggregate islands reinforced with concrete and in which ice will also be used as a construction material.

Ice plateau experiments, which were begun in Canada, will be applied to production operations at the end of this decade. The major problem has been to develop the islands for year-round use. The experiments conducted so far have been for 1 year only, which has limited the use of ice islands primarily to search activities. The possibility of insulating and freezing the islands is presently being studied in the East as well as the West.

Norwegian experts have estimated that the minimum cost of constructing a production island in Arctic areas will be 10 billion markkas. This sum includes expenditures for the construction of an island as well as the necessary drilling equipment.

Pipelines or Tankers

Also the transporting of oil and gas from the drilling areas has not yet been resolved. In addition to tankers, it has been proposed that the gas be delivered along underwater pipelines to the mainland.

"Thanks to the development of robot technology, an underwater alternative in Arctic areas is completely possible," assures Jumppanen. Specialized submarines have also been developed for work under water.

According to Jumppanen the technical readiness for the commencement of work in the oil and gas fields of the Barents Sea will be achieved within 5--10 years. However, no decisions have yet been made on the commencement of actual production. Search- and experimental drilling is currently being accomplished in the area. Actual production in the area will begin in the first part of the 1980's [sic] at the earliest.

The commencement of operations in the Barents Sea will depend on the order in which the Soviet Union decides to exploit oil and gas fields.

The differences between Norway and the Soviet Union on the control of the Barents Sea also present an obstacle to the accomplishment of this project. The negotiations conducted on the so-called grey zone have not progressed very well. The disputed grey zone in the Barents Sea has at times been controlled jointly by the Soviet Union and Norway in accordance with an agreement between the two countries.

In spite of inhumane weather conditions interest is being expressed in the Arctic areas by the Soviet Union and the United States as well as Canada since according to several estimates more than half of the world's uncharted oil and gas reserves are located in Arctic areas.

10576

CSO: 3107/56

DETAILED REPORT ON NUCLEAR POWERPLANT CONSTRUCTION

Madrid LUZ Y FUERZA in Spanish Nov-Dec 81 pp 5-8

[Article: "Nuclear Electric Powerplants Under Construction"]

[Text] The construction of a nuclear powerplant requires a period of about 8 years, an interval that will afford us an idea of what a delay in these plans means; because then, if possible positions had to be corrected, it could not be accomplished suddenly, in a minute, by merely pressing a button on a control panel. We would simply have left behind an irretrievable period of time, and its consequences could be tragic for the country involved, and of course for its inhabitants.

The energy issue is also a chain reaction. If we consider the reality of our times, we shall observe above all a persistent economic crisis. Its latest cause? The oil crisis, in turn; oil, the consumption of which we had made common, increasing and cheap. Any nation would react to this crisis by making maximum use of its own energy sources, and also diversifying its sources of supply abroad to the maximum extent.

From the first standpoint, coal, hydraulic energy and natural gas are demarcating the commercial possibilities within our reach day by day; but if we use to the maximum output those which we have in our country, with a concurrent reduction in dependence on oil, almost no country, from the viewpoint of an immediate period of time, could be self-sufficient in energy; and all the developed nations, faced with this incontrovertible fact, are counting on nuclear energy as the supplementary source, in sufficient supply to meet all the energy demand in their territory, in conjunction with the foregoing sources. This is the energy policy being pursued at present by the OECD [Organization for Economic Cooperation and Development], recommended by the International Energy Agency and also called for in our National Energy Plan [PEN].

After the start of the nuclear option, with the construction of the three powerplants connected to the system, in 1968, 1971 and 1972, the Spanish companies planned the construction of an additional 14 nuclear powerplants, one of which, that in Almaraz, is already in operation, another 11 in an advanced stage of construction, and two more in the design stage, the latter two being in the process of implementation. The companies financing them have invested: 20 billion pesetas, on the part of Iberduero, in Sayago; and about a billion pesetas, on the part of Fenosa, Cantabrico and Viesgo, in Regodola.

The date of entry into service for these 11 nuclear powerplants in an advanced stage of construction, with dates that have been planned but of course are not certain, are: ID's Lemoniz I, for July 1982 (to be sure, if the Basque political influence so permits); Fecsa's Asco I, in July 1982; Almaraz II, of HE, CSE and UE, in January 1983; HE's Cofrentes, at the end of 1983; Asco II, of Fecsa (0.40), Enher (0.40), Hecha (0.15) and Segre (0.05), in January 1984; ID's Lemoniz II (with the same proviso as Lemoniz I), in January 1985; Valdecaballeros I, of HE and CSE, in a 50 percent proportion, in October 1986; Trillo I, of UE and Endesa-Enher, in a 50 percent proportion, in December 1986; Vandellos II, of Fecsa (0.08), Enher (0.54), Hecha (0.28) and Segre (0.10), in December 1986; Valdecaballeros II, of HE and CSE in equal shares, in July 1986; and Trillo II, of UE and Endesa-Enher, in December 1988.

The Spanish Nuclear Program, contained in the PEN, calls for the attainment of 12,546 MW of installed power by 1990. In August 1979, authorization was granted for the construction of the Trillo I and Valdecaballeros I and II nuclear powerplants. In November 1980, the construction of Trillo II was authorized. In December 1980, the construction of Vandellos II was, in turn, authorized.

On 13 October 1980, the Almaraz powerplant received provisional authorization for exploitation. The reactor reached its critical state in April 1981. At the end of May of that year, it attained 50 percent of its load in commercial production, and has been incorporated into the full power system network since September 1981.

The 11 nuclear powerplants (13, counting Sayago and Regodola) which will go into service following Almaraz I, of HE, CSE and UE, which did so this summer, represent an investment already made of over 600 billion pesetas as of December 1980; which gives an idea of the considerable effort made by the sector for this nuclear option alone. And there is the example of the powerplants which are still in the design and initiation phase, such as ID's Sayago and Regodola, of Fenosa, HC and EV, included in the PEN, that have already made investments of over 20 billion pesetas, we repeat, in the initiation phase of the work. And it should be stressed that, with these nuclear projects and accomplishments, the electric sector predated the PEN, because seven of them had been authorized and were under construction on the date when the PEN was published, and the others were included on the companies' schedule with prior authorization, some also under construction and others in the advanced planning stage. It should be realized that all of them, even the most lagging, represented several hundred million in investment before the PEN.

It seems unnecessary to stress further the foresight of the electric sector, which is not seeking to be over-equipped, as certain political sectors irresponsibly guess, but rather offers a guarantee of being able to meet the Spanish demand for electricity in any event and on any occasion. To achieve all this, it is essential to keep extremely expensive material immobilized every day, and most of the powerplants in operation daily, all of them indispensable to provide for the peak hours of most demand. They must remain shut down for many hours of the day, when the consumption is reduced considerably, so as to provide for it during the night-time hours and in the winter seasons.

Table 1. Investments in New Nuclear Construction (millions of pesetas)

Inversiones en nuevas construcciones nucleares (millones de pesetas)				
(1) Central o Grupo	(2) Poten. (MW)	(3) Sociedad propietaria	(4) Inversión hasta 31/12/79	(5) Inversión durante 1980
Almaraz I y II	2x 930	1/3 HE-1/3 CSE-1/3 UE	98.905	26.520
Lemóniz I y II	2x 930	ID	111.996	25.868
Ascó I	930	FECSA	61.877	15.900
Ascó II	930	0,40 FECSA-0,40 ENHER-0,15 HECSA-0,15 SEGRE	61.370	18.456
Cofrentes	975	HE	49.258	14.180
Valdecaballeros I y II	2x 975	1/2 HE-1/2 CSE	31.731	12.285
Trillo I y II	2x 1.032	1/2 UE-1/2 ENDESA-ENHER	22.781	13.046
Vandellós II	982	0,08 FECSA-0,45 ENHER-0,28 HECSA-0,10 SEGRE	21.680	9.507
Sayago	1.030	ID	14.337	5.275
Regodola	1.100	0,60 FENOSA-0,20 HC-0,20 EV	578	512
Total	13.681		474.513	141.549

Key:

1. Powerplant or group
2. Power (MW)
3. Owner company
4. Investment as of 31/12/79
5. Investment during 1980

Map. Status of the Nuclear Powerplants and Facilities



Key:

1. Under exploitation
2. In advanced construction stage
3. With recent authorization
4. Under study
5. Factory for fuel elements
6. Nuclear Research Center

Table 2. Nuclear Powerplants Under Construction

Centrales nucleares en construcción			
(1) Grupo	(2) Propietario	(3) Potencia (MW)	(4) Situación administración
Almaraz I	1/3 HE-1/3 CSE-1/3 UE	930	(5) Puesta en marcha (O.M. 13/10/80)
Lemóniz	ID	930	(6) Construcción
Asco I	FECSA	930	Construcción
Almaraz II	1/3 HE-1/3 CSE-1/3 UE	975	Construcción
Cofrentes	HE		
Asco II	0,40 FECSA-0,40 ENHER-0,15 HECSA-0,05 SEGRE	930	Construcción
Lemóniz II	ID	930	Construcción
Trillo I	0,60 UE-0,40 ENHER-ENDESA	1.032	(7) Construcción (BOE 25-8-1979)
Valdecaballeros	I 0,50 HE-0,50 CSE	975	Construcción (BOE 25-8-1979)
Valdecaballeros	II 0,50 HE-0,50 CSE	975	Construcción (BOE 25-8-1979)
Trillo II	0,60 ENDESA-ENHER-0,40 UE	1.032	(8) Construcción (BOE 28-11-1980)
Valdellós II	0,54 ENHER-0,10 FECSA-0,08 E.H.S.-0,28 HECSA	982	(9) Construcción (BOE 3-1-1981)

Key:

1. Group
2. Owner
3. Power (MW)
4. Administrative status
5. Put into operation (Ministry Order 13/10/80)
6. Construction
7. Construction (Official State Gazette 25/8/79)
8. Construction (Official State Gazette 28/11/80)
9. Construction (Official State Gazette 3/1/81)

2909

CSO: 3110/74

LONG-TERM ENERGY PROGRAM REVIEWED

Madrid LUZ Y FUERZA in Spanish Sep-Oct, Nov-Dec 81

[Two-part article: "Evaluation of PEN Activity"]

[Sep-Oct 81 p 40-42]

[Text] Since the approval of the National Energy Plan [PEN] on 28 July 1979, there has been an acceleration of certain programs contained therein, aimed at preserving the guidelines established by the PEN.

Prominent among these programs are: a. the Accelerated Coal Powerplant Construction Plan; b. the Refinery Reconversion Plan; c. the Program for Utilization of Small Hydroelectric Powerplants; and d. the Plan for Replacement of Fuel Oil With Coal, in the cement sector.

Just now, when 2 years have elapsed since the approval of the PEN, the activity of the various entities and sectors has (in the opinion of the Ministry of Industry and Energy) made it possible to attain some important goals among those planned by the PEN: a. there was a 1.1 percent reduction in the consumption of primary energy between 1979 and 1980, while the GDP rose 1.7 percent during the same period; b. the amount of the GDP generated per unit of energy consumed increased by 2.9 percent between 1979 and 1980, which means that the energy is being used more efficiently; d. assuming an average hydraulic year, the share of coal and natural gas increased its coverage of the demand between 1979 and 1980, and coal increased its share from 15.3 to 18.3 percent, natural gas increased its share from 1.9 to 2.4 percent, while oil reduced its share from 69.3 to 66.2 percent.

The generation of electricity also increased 4.5 percent between 1979 and 1980, and in the average hydraulic year, the share of coal in the generation of electricity increased 7.6 points, while fuel-oil dropped 4.6 points; although in real terms, and due to the poor hydraulic conditions in 1980, fuel-oil consumption exceeded that of the previous year.

These data, provided by the Ministry of Industry and Energy, confirm a considerable success for the guidelines of the energy policy contained in the PEN and established to remain in effect until 1987. Among these guidelines there must be noted the intention of reducing the share of oil in meeting the energy demand, as a preferential goal; this entails a more efficient use of energy to reduce the dependence on foreign countries for our supplies. For this purpose, it was essential to

foster the production of energy of native origin, to diversify the sources of the Spanish supply, attempting to establish a more balanced structure in the energy supply and, finally, to encourage the use of new types of energy.

Actually, since the approval of the PEN, energy consumption has experienced a slowdown. Contributing to this has been the policy pursued by the administration, making the cost increases affect the prices, based on the principle of real prices for real costs of energy. Also having an influence on the slowdown has been the better use now made of energy and, as a result of the economic crisis, the reduced activity of the sectors which consume energy in an intensive manner. Despite the reality of the slowdown, the Ministry of Industry and Energy is of the opinion that the structure of primary energy consumption has improved, and that the importance of oil has declined as a result of the increased participation of other energy sources of native origin. The Ministry expresses the view that, in this way, it has been possible to attain a more diversified coverage insofar as forms of energy are concerned, and a reduction in the dependence on foreign countries, the basic goal of the PEN.

The average energy productivity, reckoned as a quotient between the GDP and the national energy consumption, has undergone an increase of 2.9 percent in real terms.

Insofar as the structure of the primary energy consumption is concerned, mention should be made of the increase in coal consumption, which rose from 15.3 percent in 1979 to 18.3 percent in 1980; while the water consumption remained virtually the same, owing to the weather conditions during the year, and there was some decline in the nuclear consumption, which dropped from a share of 2 percent to 1.3 percent, owing to unpredictable effects. There was an increase in natural gas consumption and, in this connection, there was a reduction in the share of oil in this structure of primary energy consumption from 69.3 percent in 1979 to 66.2 percent in 1980.

Regarding the reduction effect and good use of the energy demand, very definite consideration must be given to the fact that the prices of energy have been geared to the costs; because when the energy is converted into a more expensive product, both in household and industrial use, there has been a gradual adaptation by the industries, improving the efficiency of its use, as well as in households. In the opinion of the experts in the Ministry of Industry and Energy, this trend will become more intensified with the measures contained in the Energy Conservation Law of 30 December 1980.

Special significance should be given to the Accelerated Coal Powerplant Construction Program, planned until 1985; because the share of coal in the generation of energy, which in 1980 increased until it approached the percentage represented by hydraulic energy in an average meteorological year, will have spectacular increments to the point where it will exceed that of hydraulic energy starting in 1985; something that will represent considerable savings of fuel-oil. It must be taken into account that, in the heat production for 1980, there was a participation by the liquid fuel powerplants, with a production of 34,207 million kilowatts, owing to the very low water supply for the year; whereas in 1979, these powerplants generated only 22,627 million kilowatts, a production lower than that of 1980, which totaled 25,094 million kilowatts.

It should be noted here, because it is only fair, that the electric sector has always maintained constant precautions to be at all times in a position to meet the demand, based on the previous estimates that have been established to reckon the increases in power essential for meeting this demand at all times. This means that the companies which comprise the electric sector have not spared any effort to build, in each instance and at the national convenience, the powerplants that are necessary, sometimes stressing energy from coal, at other times hydraulic energy, at still other times thermal energy from fuel, and later nuclear energy. This represented a risk for the sector, building powerplants with improved output, and based on the consecutive types of technology and the consecutive economic and commercial effects, always in advance of the real bill presented by the constantly and spectacularly increasing demand. It must also be added here that the electric sector carried out this advance action represented by its energy programs amid a very evident and widespread lack of understanding by the government, which was incapable of establishing as an essential guideline of an energy policy, whether electric or not, that of making the increments in costs affect the prices; something which was finally done, applying to all types of energy, by the National Energy Plan.

In 1981, the energy situation at the end of the first 4 months, compared with the same period of the previous year, showed a drop of 0.5 percent in the consumption of primary energy; a drop of 0.8 percent in the consumption of petroleum energy products; a drop of 4.9 percent in gas oil; a drop of 0.3 percent in car gasoline; a drop of 6.5 percent in aviation kerosene; and a drop of 7.3 percent in liquid gases. On the other hand, coal production rose 27.3 percent, the highest increase relating to black lignite, with 61.0 percent. The coal consumption in the thermal electricity generation powerplants increased 31.1 percent, and in the cement factories, 296.0 percent. As a final item, the generation of electric energy during this period rose 1.3 percent, and the demand on the domestic market increased 0.3 percent.

The forecast of the Ministry of Industry and Energy for this year of 1981, insofar as meeting an anticipated demand of 107 million "tec" [equivalent tons of coal] is concerned, on the assumption of an average hydraulic year, would relate to a structure wherein hydraulic energy will account for 11.4 percent; nuclear energy, 3.1 percent; natural gas, 2.7 percent; and oil, 61.2 percent, with another five-point drop from 1980.

Prominent in this list is the nuclear energy participation, caused, with regard to 1980, by the entry into service of the first group at the Almaraz nuclear powerplant and the anticipated replacement of fuel-oil with coal in electricity generation and the cement industry.

As a final item of information relating to the PEN, it should be noted that the demand for primary energy in 1981 will be lower than that estimated by the PEN, although its structure based on sources will be more favorable than anticipated.

Insofar as the electric sector alone is concerned, the administration recognizes that electricity generation has contributed to the fulfillment of the goals established in the PEN for the energy policy, by allowing for the use of different sources of primary energy (coal, nuclear and hydraulic). This has made possible

a reduction in the degree of dependence on oil, and in the impact of the energy supply on the balance of payments. To be sure, the administration admits that the electric sector requires the greatest investments, because the sector's investments have risen 38.2 percent during 1980 in comparison with 1979, a year in which the sector's cumulative investments totaled 1.6 billion pesetas, while in 1979 the electric sector invested about 274,000 million pesetas.

(In the next issue of LUZ Y FUERZA, we shall concern ourselves with the PEN's activity in the electric sector.)

[Nov-Dec 81 pp 47-52]

[Text] The evaluation of the PEN's activities recently published contains a very sizable chapter on the accomplishments of the electric sector, with a total investment of 152,140 million pesetas in 1970, and of 216,033 million pesetas in 1980, for powerplants in production during the 2 years of the plan alone. If we add to these figures for each year the investments applied to improvements in the transportation system, and the transformation, distribution, rural electrification and other systems, we would have to add to the 152,140 million of 1979 an additional 48,557 million, and to the 216,033 million invested in powerplants in 1980, an additional 76,710 million, applied to the other categories; which would bring the electric investment in 1979 to 200,697 million, and in 1980 to 292,743 million. In 1981, the investment will far exceed 300 billion pesetas.

In other words, if we consider in the realm of time the effort made by the electric sector, that is, by the 23 companies which comprise UNESA (Electric Unit, Inc), which produce 97 percent of the electric energy generated each year in the powerplants, this effort on the part of the companies is shown in an impressive total cumulative investment through the years that have elapsed since the beginning of the century. In 1980, this enormous investment accumulated in 80 years, which is truly spectacular, attesting to a strict sense of responsibility in the sector, committed to providing good electric service to Spain, amounted to over 2 billion pesetas. To be exact, the cumulative investment of the Spanish electric sector, in both production and transportation, transformation and distribution, totaled 2,151,424 million pesetas in 1980. One could hardly find another sector which has so precisely, and with such bold persistence, fulfilled its fundamental philosophy of providing the Spanish people with good electric service.

In order to describe more accurately the valuable assistance that the electric companies have provided each year, we shall have to consider the fact that "electricity generation" (as the Ministry of Industry and Energy has stressed) is contributing to the fulfillment of the goals established for the energy policy, by allowing for the use of different primary energy sources (coal, nuclear energy and water power); therefore making a reduction possible in the degree of dependence on oil and in the impact of the energy supply on the balance of payments. This assertion, which puts the electric sector in the most distinguished position in the attainment of the goals set by the PEN, has been confirmed by reality; because the electric sector has undertaken a joint action to reduce the dependence on oil, which is attested to by the new facilities that are under way, a continuation of those accomplished during its short history. Understandably, when the ministry proposed to the electric sector the gigantic task involving the effort that the

sector has expended in its determined cooperation pursuing the economic goals that are being sought, there was a sensational rise in the volume of its investments, and an obvious increase in the number and power of its generating facilities.

This fact is made evident in the evaluation of the PEN's activities published by the ministry, and has its origin in the considerable amount of investments made in 1979 and 1980, years when the PEN was in effect, a precedent for the investments pledged by the sector for consecutive years until the completion of the plan. It is on the basis of this fact that one can understand the very effective cooperation of the electric sector in the national economy, and the justification for the complaints that the sector has made year after year at the lack of understanding by the public authorities, bent on impeding the progress of the sector with low prices, under the real costs, that have been reflected in an excessive consumption of electricity which seems essential to curb at present.

So that it will not be thought that the sector's present effort is unusual, that is, prompted merely by the PEN, which of course has urged the electric companies to multiply their investing effort during the period that it has been in effect, it should be recalled, we maintain, that during the 5 years preceding 1979, the year when the PEN began, the electric sector increased its investments at a rate exceeding 30 percent per year, cumulatively, despite the economic crisis in which the world, and of course Spain, was submerged. Such investment rates continue to show the economic and financial effort being made by the electric sector in recent years; a continuation, although to a greater extent demanded by the circumstances, of the effort made in the historical period comprising the first 80 years of the 20th century. For this purpose, the electric companies have had to resort increasingly to both native and foreign capital markets, in order to obtain the essential financial resources. And the electric companies have had to do this while withstanding the hardening of economic conditions experienced on the money markets.

It should be borne in mind, to assess this fact that we have cited, that, in the financing of the sector's investments, about 85 percent is associated with contributions from the financial and capital markets, the money market, whose considerable participation is due to the relative dearth of self-generated funds; since the supply of reserves from profits and losses does not amount to 1 percent of the total funds needed in the fiscal year. This fact is reflected in the worsening of the social burdens that the sector must withstand, owing to the need to resort, inevitably, to the money market in order to build its indispensable facilities. To consider this in its true totality, one need only remember that, in 1970, the electric sector diversified its sources of financing, in an almost equivalent proportion, between stock shares and reserves and amortization, on the one hand, and obligations and credit, on the other; while in 1979 the quota of obligations and credit was nearly double the item of stock shares and reserves and amortization. From a different standpoint, in 1970 the origin of capital showed 179,748 million contributed from obligations and credit, and in 1979 this contribution amounted to 978,428 million; while the contribution from stock shares and reserves, which in 1970 was 136,282 million pesetas, amounted to only 373,876 million in 1979. This confirms the sector's need to resort increasingly to the capital markets, both native and foreign.

Now, before citing the latest accomplishments of the sector, undertaken before the PEN but included in the PEN, and the projects under construction or in the design stage, now benefiting from the PEN, it befits us to note, as we have said, that although the recent increases in electric rates attest to a substantial change in the spirit of the public administration, which seems to have realized the sector's financial situation, establishing as a PEN guideline, in a concrete order, that of making increased costs have an effect on prices; it befits us to note, as we have said, that despite the large size of the hikes made in the electric rates recently, these rates do not yet cover all the real costs involved in the supply of electric energy, despite the fact that it is essential for the sector that the income from use cover the total costs attributable to this normal use, as stipulated by the PEN. Moreover, it is well understood that the companies in the electric sector have sufficiently attested to a proper administration of their business.

The evaluation of the PEN's activities includes the most outstanding activities of the electric sector during the 2 years that have elapsed. Let us observe.

In accordance with Chapter 4 of the resolutions approved by the Congress Plenum, the establishment of ASELECTRICA has been promoted to improve the coordination of the use of the electric system based on the public interests. The government's delegation has issued related instructions, with the capacity to veto any decision that would be detrimental to those interests.

Through Decree 2194/1979, the functions of the Office of Electric Energy Compensation (OFICO) have been regulated, promoting the consumption of coal in thermal powerplants and giving economic backing to the electric systems of GESA and UNELCO in the Balearic and Canary Islands, establishing state intervention in OFICO and making the application of the compensation totally clear.

An accelerated rural electrification program has been promoted, with works construction in 1980, involving a sum of 5 billion pesetas, distributed among all the Spanish provinces. Of that total investment, 2 billion pesetas are associated with the state's participation, through the General State Budgets. For 1981, an investment of 8 million pesetas is planned, with 3.2 billion as a public share.

The electric sector's investments in 1980 have increased 38.2 percent over those of the previous year.

With the entry into service of the Teruel III, Puente Nuevo II and Meirama powerplants in 1980, the power of the coal thermoelectric powerplants in operation at the beginning of 1981 was 6,430 MW. This power is broken down into 6,362.5 MW installed on the peninsula, and 67.5 MW installed in Alcudia (Balearic Islands).

In 1980, the power installed in coal powerplants was 16.3 percent more than that installed in 1979.

In the extra-peninsular area, two groups with 125 MW apiece are being constructed in Alcudia, which will use lignite as fuel; and, in the Canaries, a study is being made of two groups with 100 MW apiece, which will operate with imported coal.

An Accelerated Program for Construction of Thermal Powerplants for Coal, both native and imported, has been put into operation on the peninsula.

All the powerplants which are part of the accelerated program have the pertinent administrative authorization, and their construction rate is geared to the planned timetable. The majority of the companies have already underwritten the necessary financial operations.

There are 11 powerplants, with a combined power of 4,600 MW, and their entry into operation will replace 6.1 million tons of oil. The anticipated investment amounts to 240 billion pesetas, which will insure an employment equivalent to 24,632 men per year until 1984.

The study of the conversion of fuel-oil powerplants to coal in the entire national system has been completed. This conversion is technically viable for 2,578 MW of power. However, before its authorization, there will have to be a study of certain environmental aspects (coal stocks, emission of smoke, cooling water, etc.).

Agreements have been signed for the transfer of technology in the field of thermal powerplant combustion, which will make it possible to increase the native participation in the construction programs that have been started.

The combined activities of the PEN in the electric sector, and the achievements cited below, quite clearly attest to the boost that the Plan is giving to the sector, by proposing urgent, concerted action in the thermal and hydraulic areas, which the companies accept and back with genuine efficiency. However, a report on the PEN's activities would not be entirely fair if it did not mention the previous decisions that the sector made on its own, decisions which, owing to the time required to construct the powerplants, are hidden in the PEN, adding to it a project of considerable importance that has been accomplished. This holds true, for example, in the case of the nuclear powerplants, which were studied and planned by the sector's companies prior to the PEN, and which are being opened in the time of the PEN. All the Spanish nuclear powerplants which are currently in operation and those which will start generating in the time of the PEN were designed and initiated before 1978. The time that it takes to build a nuclear powerplant, not counting the years essential for training the personnel that must build and manage them, may be estimated at about 9 or 10 years, if all goes well, which is not the case at Lemoniz. In 1958, the Spanish electric companies decided to adopt the nuclear option in Spain, and this is well demonstrated by the nuclear powerplants which are now pouring energy into the system: the UE's Jose Cabrera nuclear powerplant, in operation since the end of 1968; Nuclenor's (Iberduero and Viesgo Electric, 50 percent) nuclear powerplant in Santa Maria de Garona, which has been contributing to the system since early 1971; and Hifrensa's (E. de F. Fecsa, Heesa, Enher and Segre) Vandellos plant, opened at the beginning of 1972.







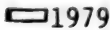
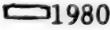
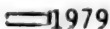






Following these powerplants come Almaraz I, owned in equal shares by HE, CSE and UE, which went into operation this summer; and then the group of 11 nuclear powerplants which are under construction, with a total power of 10.6 million KW; not to mention two other projects accepted by the PEN, namely, ID's Sayago, and the HE and EV's Regodola de Fenosa, in Galicia.

Recently, certain political circles have charged the electric sector with having too much equipment, exceeding the nation's needs. Nevertheless, the publication of the National Energy Plan and the effects of the weather during the past 2 years have confirmed, without room for doubt, the foresight of the electric companies, which managed to invest huge sums that these political sectors considered excessive, with the resultant equipment whereby it has been possible to protect ourselves, for the time being, from this drought period that has necessarily reduced hydroelectric production, without forgetting something which was unpredictable then, namely, the enormous burden of oil in the costs of a thermal kilowatt hour of fuel. Furthermore, one need only consider the drop in the rate of demand for electricity to consider as risky the conventional facilities planned 8 years in advance, because their construction alone takes 4 or 5 years. This risk that the electric companies have to run if they want to provide safely for the electric supply has been made real with the economic crisis that Spain has been suffering for several years.

This latter argument about the risk entailed in construction of such high cost as that of the electric powerplants and systems can be gaged, a posteriori, because it was unpredictable beforehand, with the records of the real reduction in consumption of electricity in Spain during the past few years. In 1976, the increase in electricity consumption was 12.2 percent; in 1978, 5.5 percent; in 1979, 6.8 percent; and in 1980, 3.5 percent. The data for 1981 are not favorable either.

To assess this decline in the net consumption of electricity in Spain, one must remember that, in 1966, the Spanish consumption was 12.2 percent, a percentage considered more or less normal during the 1960's and early 1970's, including up to 1973. In view of this change, we emphasize, and considering the fact that the construction of a powerplant represents an interval of from 4 to 5 years, with another 2 or 3 years elapsing for its preparation and design, the advance planning, with the most accurate study that can be achieved of the change in demand, this planning, affected by the oil crisis in 1973 and by the Spanish economic crisis that began at that time, is still fully applicable to the design and construction of the powerplants which the sector has in progress. This is well proven by the fact that not only the nuclear powerplants under construction, but also those in the design stage, have been accepted by the PEN, with constant investments made by the companies. The fact is that the thermal fuel powerplants built profusely in the favorable years must stop producing in normal periods; thereby becoming an added burden in the companies' financial structure. This is a supplementary risk which the sector accepts, deeming it as transcending its forecasts and as dissociated from its decisions.

Investments in the Electric Sector (millions of pesetas)

Hydraulic powerplants	Type of powerplant	1979	1980
 1979	Hydraulic powerplants	15,806	15,625
 1980	Nuclear powerplants	103,980	141,549
Nuclear powerplants	Coal powerplants	27,585	55,750
 1979	Fuel and gas powerplants	4,769	3,190
 1980	Total powerplants	152,140	216,033
Coal powerplants			
 1979			
 1980			
Fuel and gas powerplants			
 1979			
 1980			
Transport and transformation	Transport and transformation	6,581	26,281
 1979	Distribution	38,657	33,371
 1980	Rural electrification	-	1,968
Distribution	Other investments	3,319	15,090
 1979	Total investments	200,697	292,743
 1980			
Rural electrification			
 1980			
Other investments			
 1979			
 1980			

2909

CSO: 3110/74

FUND TO PROMOTE INDUSTRIAL COOPERATION OF SWEDEN, NORWAY STARTS

Also AFTENPOSTEN in Norwegian 14 Dec 81 p 28

[Text] On 1 January the fund for Swedish-Norwegian industrial cooperation (SNIF), as it is officially called, will become operative. At that time the Swedish government will transfer the first 37.5 million Swedish kroner to the fund, which will have a total capital of 250 million Swedish kroner. Of this amount, Sweden will provide the much larger part. At the same time, Rudolf Lindboe will step down as chairman in order to turn over the position to the Swedish general director, Gunnar Soder. The position of chairman is a rotating one.

For the time being, Jan Didriksen will divide his efforts between being the top man in Norway's Industrial Federation and the administrative director of SNIF. On 15 May he will step down from the Industrial Federation. From then on he will divide his work between Stockholm and Oslo, where the national industrial fund will consider applications for loans before Didriksen reviews them for management. Just at the right time, for the first application has already arrived before SNIF has become operative.

High-risk Projects

"I see this as a very interesting task," Jan Didriksen said to AFTENPOSTEN. "Many will perhaps say that there are already many funds and institutions to take care of Swedish-Norwegian cooperation. But there is a difference in the basis of the agreements that have been made. It will not take part in saving actions, but participate in future-oriented, high-risk projects on a technological and marketing level. I hope it will contribute to our not thinking so chauvinistically as before. Sweden and Norway are more equal partners than before. Sweden is strong in industrial technology and in international experience. We have our strength in energy and offshore technology, and also, we hope, in the capital we will gradually generate, just to mention a few rough examples. One can almost say that we are equal partners, but on a different basis."

Harmonization

Didriksen places great emphasis on practicing what the governments of the two countries have arrived at in their agreement, that legislation be harmonized, barriers removed, cooperation established on exports to third-world countries, and cooperative projects be encouraged. This is described in more detail in Article 2 of the agreement, which allows for the necessity of effective utilization of the two countries' resources, including raw materials, energy, capital, technology, and labor.

Article 3 explains how this is to be done by removing obstacles for cooperation between firms and organizations, by encouraging the establishment of firms and institutions of common Norwegian-Swedish ownership, by cooperating on tax matters, and by making use of rules on currency and credit policy and instruments in such a way that unnecessary obstacles will not lie in the path of concrete projects.

These fundamental characteristics that cooperation must be built upon are one thing, but for the applicants, the conditions for obtaining loans are perhaps of greater interest. During the winter, a brochure will be worked out for industry in both countries, but this will not prevent possible partners in cooperation, who are full of project plans, from taking initiative immediately. Didriksen thinks that the first concrete applications for loans will be handled during the spring.

Up to 50 Percent

The conditions are that support can be given in the form of loans to large projects that aim at technical or market development. The projects can be highly risky, even if the primary aim is for them to be able in the short run to provide economic profit. The loan can cover up to 50 percent of the project's costs, but it cannot go over 50 million Swedish kroner. Projects of less than 3 million kroner will not receive loans from the fund, nor will those that have to do with the extraction of oil and gas.

Since SNIF aims primarily at technological and market development and research, one can safely assume that the fund also in practice will go into high-risk projects, so risky that normal safety will not be a question. Repayment can also be partially or totally forgiven if the various projects' prerequisites for profit are not realized.

"But one definite criterion for a loan in SNIF is that Norwegian-Swedish projects can be justified by formal agreements on obligatory cooperation," Jan Didriksen emphasized. "In addition, loans can only be granted to industrial firms."

One Element

"Up to now not much has been done in industrial cooperation between Sweden and Norway. A few large projects have been started, but not continued. SNIF should provide conditions that contribute to increased interest in industrial cooperation between the two countries," Didriksen said. "This is true because it is one element in a large agreement on economic industrial cooperation between Sweden and Norway. It is essential that obstacles be removed. It is to be hoped that the governments of the two countries follow up with common rules so that a Norwegian-Swedish company can be established and operated in both countries as if it were a national company."

AFTENPOSTEN: "Is it not to be feared that the fund's framework of 250 million kroner, which will not be filled for some years, will burst?"

"In that case an increase in the framework can be discussed. Great interest will be encouragement for this. But in the first stage we are more interested in receiving applications for projects that can give the fund a subject matter that can justify it," Administrative Director Jan Didriksen said.

9124

CSO: 3108/36

BRIEFS

PRODUCTION, EMPLOYMENT DROP LIKELY--In the months ahead top industrial leaders expect a sharp decline in production, a continued decline in employment and a markedly lower influx of new orders. The predictions were published by the Danish Bureau of Statistics in the quarterly "market barometer" which is based on estimates from the leaders of the nation's approximately 650 largest industrial firms. The bleak forecast from industry comes only 3 days after leaders in the building sector predicted a sharp decline in their order backlog and employment for the first quarter of 1982 compared with the fourth quarter of 1981. The new figures from the Danish Bureau of Statistics bear witness to a very large surplus production capacity in industry--more than a third of all industrial firms reported idle machinery or equipment being operated at a slow tempo. Only 2 percent of industrial firms said they were short of labor now and that figure has never been lower. In the building sector only 1 percent of the firms now lack labor and this too is a record low. The Danish Bureau of Statistics revealed that stocks of finished products and of raw materials were considerably higher than normal at the beginning of 1982. At the same time industrial orders were generally estimated to be lower than normal. The only bright point in the market barometer warning is that investments in industry are expected to make a slight gain in the months ahead. [Text] [Copenhagen BERLINGSKE TIDENDE in Danish 2 Feb 82 Pt III p 7] 6578

CSO: 3106/62

BRIEFS

DENMARK'S RESOURCE RIGHT DISPUTED--The chairman of the Greenland home rule government, Jonathan Motzfeldt says that the present agreement with Denmark concerning the exploitation of Greenland's resources is fully adequate. This statement was made by Jonathan Motzfeldt in response to statements made recently to BERLINGSKE TIDENDE by Jens Lybberth, chairman of SIK [Greenland Workers' Union]. Lybberth and SIK want complete Greenland ownership of the Greenland underground, which, under the present agreement, is owned by the state, with a mutual right of veto in respect of proposals for exploration and exploitation of the underground. Jens Lybberth will welcome a referendum on the relationship with Denmark if that will be necessary to secure full Greenland ownership. Jonathan Motzfeldt, on the other hand, is of the opinion that the present joint ownership agreement concerning the underground is adequate. There are certain exceptions to this right of veto, and we are still discussing the issue, says Jonathan Motzfeldt. But, in general, the arrangement is adequate, and we have no plans to attempt to change it. [Text] [Copenhagen BERLINGSKE TIDENDE in Danish 3 Feb 82 p 7] 7262

CSO: 3106/61

DECISIONS ON ECONOMY AWAIT ELECTIONS AS DOWNTURN CONTINUES

Helsinki HUFVUDSTADSBLADET in Swedish 6 Dec 81 p 2

[Editorial by Per-Erik Lonnfors]

[Text] No economic policy activation can be expected until after the presidential election, and it can possibly wait a few more months without risking a catastrophe. However, economic developments threaten to become worrisome for the government responsible for the nation's economy this winter and spring.

This nation's government has been rather silent lately, which might be understandable considering the big political decision yet to come. Many have commented on the government's passive attitude with respect to economics in particular, including economic columnists in this paper and, just recently, the managing director of Foreningsbanken.

This weak hold on the nation's economy cannot be attributed entirely to the upcoming political drama next fall. The Koivisto government has kept a low profile for some time, acting as if it had a foreboding of what was to come. The measures which are needed to deal with the present economic situation should have been decided upon some time ago. It will take a few months to implement any decisions we make now to stimulate the economy, and they will not become effective for some time after that.

The need for a more active economic policy must, of course, be judged on the basis of economic conditions at home and abroad. They seem to be changing for the worse much faster than anyone could have foreseen a few months ago.

While Finland kept pace with other nations during 1979-1980, posting an economic growth of 5 to 7 percent annually, the growth of the gross national product (GNP) declined to about 1 percent in 1981. The fourth quarter of 1981 will probably show a marked negative change. The estimated 2 percent growth in the GNP, which was indicated by the finance minister in terms of the 1982 budget, will have to be corrected downward quite drastically. This procedure has become so common that it causes prognosticators little more agony than do gibes from the public--hardly anybody has been able to avoid economic misjudgments the last few years.

Thus, international experts are now quickly retreating from their reckoning that economic conditions will improve about the middle of next year. Economic experts in the United States are anticipating negative growth in the near future, since the real

national product in 1981 has already declined from previous years. Despite important correction mechanisms in the American economy, they cannot counteract the false doctrines which the president has accepted from his advisers.

Beyond seriously influencing the world's economy, economic conditions in the United States more directly influence the Finnish export industry through sharp competition with respect to wood products on the European market. The paper and pulp industry has had a good year, but just lately it has begun to feel the effects of problems similar to those that earlier hit the sawmills. Positive trade with the Soviet Union does not entirely make up for the negative effects on the Finnish economy as a whole and the decline in the exports of principal industries.

In one way, both the improved trade with the Soviet Union and the reversal in the Western markets are favorably influencing the nation's economy. Trade with the East is strengthening our trade balance and the reduction in exports to the Western nations is moderating our need for imports--despite the fact that the latter effect may, of course, be overshadowed by reduced export revenues. By and large, however, this is more advantageous to our balance of payments than expected, for both this year and the next.

The favorable balance between payments to and from foreign countries automatically creates relief on the monetary market, and this provides economic stimulus without special measures, whatever the effects may be. Monetary policy has appropriately been likened to a rope, something that can be pulled but not pushed. When companies have weak expectations and lack money to finance their businesses, it does not help to borrow money, while reducing costs, on the other hand, surely stems the threat of overheating the economy.

Hence, there is no impending urgency about monetary measures, beyond an eventual fine-tuning of the Bank of Finland's so-called "gentle basic tone." On the other hand, one might pick a variety of investment tax relief measures from the Central Industries Association's recently published wish list to facilitate employment, among other things. However, they have come too late to effect next year's developments, partly because companies have their own planning rhythm, whereby next year's budgets have already been established.

However, there is every reason to prepare measures on the government level, as is now being done by the Ministry of Finance, that can be effected by the government in power following the presidential election.

If today's gloomy economic predictions come to pass, quick decisions and forceful measures will indeed be necessary. And for this reason, the nation's economic health cannot endure any delays in deciding which government will be responsible for the management of the nation's economy after the election, no matter how tangled the political situation may be.

[Caption] The good economic developments over the last few years also have their negative aspects, as can be seen in this comparison between monthly import and export price increases in the last few years. (Illustration from Unitas 3/1981.)

ARTICLE EXAMINES STRUCTURE, TRENDS OF EAST BLOC TRADE

Helsinki SUOMEN KUVALEHTI in Finnish 4 Dec 81 pp 6-10

[Article by Hilikka Kunnas: "Problems Deferred Till After Election/East Bloc Trade Negotiations Yield: Time Delay"]

[Text] Soviet Foreign Trade Minister Nikolay Patolichev brought the joys of giving and receiving to the business leaders who were waiting for him in the cold of the Helsinki railway station on 30 November.

We have succeeded in playing for time in our East bloc trade. The volume of exports will not necessarily decrease, although we had feared it would.

Western Markets' Structural Change Requires Reevaluation of East Bloc Trade

In August, the industrial central unions, including those of metal and forest industries, began to compile import and export requests from businesses for the 1982 trade agreement between Finland and the Soviet Union.

The total was described as "astronomical." It was cut down to size.

The bilateral trade between Finland and the Soviet Union, which should be balanced with a margin of less than 1 billion markkaa, is 1.7 billion markkaa in our favor. It was predicted that nearly 50 percent of the surplus goods would have to be cut.

Only a Scare

As recently as a couple of years ago, after the second oil crisis, the situation was the opposite. Then the Finns rolled up their sleeves to bridge the gap. Last year our USSR trade grew by 50 percent, and this year by as much as 80 percent. The present situation is self-induced.

In the middle of September in Moscow, the Finnish organization leaders and officials laid their message on the table during Under Secretary of State Paavo Rantanen's farewell audience.

Parts of the import and export quotas were agreed on immediately, but rough correspondence concerning the rest began to arrive at the trade policy division of the Ministry of Foreign Affairs, where the Finnish negotiators went to cogitate over

However, as the autumn wore on, the Finns started to breathe more easily.

A result was reached on the agricultural quota: 150 million rubles, i.e., 750 million markkaa.

A sigh of relief also went up when over a quarter more than expected was put on the consumer goods quota, 250 million rubles in all. On the other hand, we were made to understand that export fields such as cigarettes and technochemical products that had earlier been supported by the Moscow Olympics would now be dropped altogether.

Last Week: The Final Burst

Last week, on Monday, Deputy Foreign Trade Minister A. N. Manzhulo came to Finland to negotiate with the Finnish group led by Under Secretary of State Ake Vihtori.

Those who had read TIEDONANTAJA were already familiar with the IZVESTIYA article in which the future sale had been described.

Finally, this week, Foreign Trade Minister N. S. Patolichev arrived on Monday to sign the trade agreement protocol that had been completed the previous week. The meeting of the economic cooperation commission of the two governments will also be held this week.

Just before Patolichev's arrival, the two last quotas had been set, that is, those regarding wood processing and furniture.

Wood processing makes up nearly one-quarter of our trade with the Eastern neighbor. The Finns wanted to sell nearly 600 million rubles worth, whereas the offer was not quite 500 million. The Finns tried hard to keep the furniture quota from dropping under 20 million.

Common to both the small and large quotas was the fact that the products concerned do not sell well in the West. So, the seller would very much like to sell. However, the demand has gone down in the East for these goods. The Soviet Union's third crop failure in a row is moving the demand back toward the traditional direction: industrial products.

For instance, the negotiations on metal industry quotas have long been nothing more than ratifying the shipyards' orders.

The textile industry fared better than expected. Many believed that it would not reach last year's quota, but it actually surpassed it.

In other words, it is possible that next year we will climb to this year's level in exports. This year, the value of goods exports was about 14 billion markkaa, while the entire goods exchange value was about 30 billion markkaa.

The East bloc surplus will almost totally be passed on to 1983. As if we'd be better equipped then to deal with the problems.

For next year, the balance is fabricated on the purchase of more expensive oil, mainly diesel oil. The volume is unlikely to change. What will happen in future years?

Vital for Life or Only First Aid?

Of our USSR exports, one-third is now metal, one-quarter forest industry, and just over one-third textiles, clothes and shoes.

The USSR trade provides employment for over 100,000 Finns. Most precarious on this year's seesaw were the food and tobacco industries, which sent two-thirds of their exports to the East bloc. The textiles, clothing and shoes group sold nearly 50 percent of its total exports to the Soviet Union.

About one-quarter of the metal industry's exports went to the Soviet Union this year; of the chemical industry, about one-third.

These are only averages. For individual enterprises, the USSR trade can be a condition for life. The series are large. Once a deal is secured, one just lets the machines go on rolling.

For many, the Eastern exports are useful in smoothing out business cycle ups and downs. When the West has, by definition, an expected recession in the market economy, it is a relief to send exports where, by definition, there is no recession.

However, the Soviet buyer is sensitive to weather vanes. He does not want to be a complement but a priority. And he must not have the wool pulled over his eyes: default on him once, and the road is closed.

A typical example of the desirability of Eastern trade is afforded by the shoe factory which was caught this year for exporting foreign shoes as its own--one resorts to desperate measures to secure East bloc exports. But the other alternative would have been not to deliver and to anger the buyers immediately that way.

The East bloc prices are also a sensitive matter. An exporter to the West may complain about his losses or brag about his sales. But the business director who boasted about the profitability of his Eastern trade no longer gets orders. And the director who said that 1 ton of exports to the East means a loss of 1,000 was released from his duties.

The Finns are attempting to agree among themselves on the price level in the East bloc trade. They then compete with each other to the bitter end.

However, it is now time to reevaluate the Eastern trade.

We have now obtained a welcome respite, making it possible to manage to get through the Western recession. However, it is not a question of a recession only.

The structure of the Western competition is changing. New competitors are moving into our traditional markets.

What will be the position of the Soviet trade then?

Imports, Eternal Question

A couple of years ago we were desperately looking for export products. Now we are wondering what to import in order to be able to export.

The imports from the East are, of course, 80 percent oil purchases. Nearly two-thirds of our fuel comes from the Soviet Union. We must ease our dependence on oil, the price of which only causes the trade negotiators to shrug their shoulders: "Force of nature...." But we don't know how to do this.

The Soviets have complained in various instances that the Finns have met their duties as buyers inadequately. The neighbor speaks of a nuclear power plant, offers machinery and equipment, cars, minerals and chemical semifinished products.

The Finnish buyer is slow to catch on. He does not say straight out that the goods are of poor quality, but he complains that a large country's exports do not always make allowances for a small buyer's special wishes.

In the market economy, the seller sells. However, Finland as a buyer has had to sell to itself. Even the authoritative economic commission has changed to gear itself to imports by sending off high-level purchasing commissions to the East to become impressed with the high level of technology there.

In the Background, the Economic Commission

The intergovernmental economic commission is "investigating matters and preparing proposals aimed at permanently expanding the countries' economic and trade connections." It also makes recommendations regarding the execution of the trade agreements.

The trade protocol negotiations as well as the commission's affairs are managed by the trade policy division of the Ministry of Foreign Affairs. The commission is a long-distance and heavyweight agency, whereas the protocol involves only 1 year's activities at a time.

Ahti Karjalainen is the Finnish chairman of the commission, and represented are various trade organizations, the Ministry of Trade and Commerce, the Ministry of Foreign Affairs, the Bank of Finland, and the Finnish Communist Party.

The Soviet chairman is Foreign Trade Minister N. S. Patolichev, and the members are from the Ministry of Foreign Trade, the State Committee on Economic Relations and various other ministries.

To begin with, the commission discussed various projects: a boat line to Tallinn, the nuclear power plant, Kostamus, Paajarvi.

The long-range program between the countries is now of utmost importance. It involves over 10 different special groups which--in contrast to some groups working on the protocol--are permanent. The central task of the meetings, which are held twice a year, is to discuss reports.

The commission makes decisions only on its own activity, but the recommendations it gives on "substantive questions" have the weight of orders and are heeded by the organizations they are aimed at.

So, if an enterprise cannot clear a bottleneck itself, the problem can be dealt with in the commission, on the level of deputy ministers. But at least from then on, the enterprise is on its own, involved with the mysterious workings of the East bloc trade.

Highest Figure Enticing

Three different kinds of figures are used in the Eastern trade: quotas defined by the general agreement for 5 years, the yearly quotas of the trade agreement protocol, and finally the actual export figures catalogued from the smallest to the greatest. The protocol leaves a margin for many quotas, and the use of this depends on the licensing agency.

It is only human to set one's sights on the big figures.

The chemical industry nearly doubled its export quota, and so did the textile industry. Consequently, as soon as early summer the clothing and textile industries were signing agreements with eager Soviet buyers. In the autumn, they got cold feet: If the quotas had gone down, a large part of the already negotiated sales would have been postponed to a distant future....

In the protocol negotiations, the margin sales, that is, the actual volume exported, give an idea of the demand, but the negotiations themselves are totally conducted on the quotas only.

However, the very recent figures in the current framework agreement seem microscopic in comparison with, for example, the recently negotiated quotas. There are no plans to force down the quotas, but instead the planned trends will be changed to effect only trends at a higher [price] level. So, for example, the volume of imported diesel oil will surely go down beginning in 1985 as planned. Only the cost will be more.

Friends in High Places

Although the dimensions have changed, the negotiations have not become correspondingly longer. On the contrary, peregrinations lasting months have been reduced to a week-long session.

"It is as easy to say 2 billion as 2 million," is a current saying. One of the obvious explanations is also the development of personal relations. They are especially important because the economic systems are different.

In the last few weeks there has been talk about the personal trade relations on the very highest levels.

The negotiators share the view that the head of the republic creates the circumstances for successful economic and trade policies through a successful foreign and domestic policy.

The president of the republic appoints the members of the economic commission, and the memberships tend to remain constant, except for officials. The most recent appointment is that of Kauko Rastas, and it is unlikely that an Eastern trade year will come without an ongoing construction project.

The president of the republic can of course take a very active role. It is easier to name a heavyweight industrial leader who has travelled to the East with a high-level committee or participated in the formal Eastern trade operations than to find one who has not done these things.

The ministries also remember the memoranda inspired by visits to Tamminiemi, where business leaders felt they were being given special support for their business activities.

Maintenance of productive high-level conversational contact is of course close to the hearts of the Eastern traders. For example, the administration of the Central Union of Industry has already expressed a wish that the future head of state would be knowledgeable about Eastern trade; nearly every fourth name on the petition is that of someone involved in a commission or a study group.

Front Lines Busy

"The final laurels will be won, however, on the operative side," the negotiators remind us.

When an entrepreneur wishes to get into the East bloc trade, he first has to get his voice heard among the Finnish negotiators.

He speculates whether the product might be in demand, he examines whether there is further room in the quota. The USSR commercial delegation gives him information on the foreign trade company in question and on the price level; the delegation also functions as an agent. Usually the entrepreneur is eager to ask for support from a Finnish East bloc trade enterprise, an import-export firm.

The first letter in the alphabet of the USSR export trade is g, as in Gosplan, the State Planning Commission. Various ministries have under them companies, under which are the production units, the enterprises.

The enterprises and the individual state organizations receive the goods; however, the deals are made with the foreign trade companies. There are about 60 Soviet general foreign trade companies and offices. Their offices are in Moscow, with the exception of V/O Lenfintorg, which is situated in Leningrad and manages the border trade between Finland and the Soviet Union, sometimes worth 50 million rubles.

And it is on this level that the effect and dependability of the toasts given in Helsinki will be measured.

The Most Important Trade Agreements Between Finland and the Soviet Union

Trade agreement 1947

YYA [Friendship, Cooperation and Mutual Assistance] Treaty 1948

5-year general agreements

Yearly exchange of goods protocols

Agreement on scientific and technical cooperation 1955

Customs agreement 1961

Agreement on establishment of intergovernmental economic cooperation commission 1967

TTT [Scientific-Technical Committee] Agreement 1971

Long-range program [PAO] until 1990, 1977 and 1980

The Finnish members of the Economic Cooperation Commission:

Chairmen: Dr Ahti Karjalainen, Bank of Finland (chairman); Foreign Trade Minister Esko Rekola; parliamentary representative Jermu Laine; Minister Olavi Mattila, Valmet and Enso; Minister Tankmar Horn, Vartsila.

Members: Chairman Heikki Haavisto, Central Union of Agricultural Producers; mining counselor Helge Haavisto, Rautaruukki; general manager Kalervo Hentila, Ministry of Trade and Industry; managing director Stig Hasto, Central Union of Industry; ministerial counselor Matti Kekkonen, Ministry of Agriculture; managing director Harri Malmberg, Central Union of Metal Industry; managing director Matti Pekkanen, Central Union of Finnish Forest Industry; mining counselor Kauko Rastas, Polar Construction; Chairman Aarne Saarinen, Finnish Communist Party; bank director Pentti Uusivirta, Bank of Finland; industrial counselor Pentti Viita, Ministry of Trade and Industry; Under Secretary of State Ake Wihtol, Ministry of Foreign Affairs.

In addition, there are two specialists and a seven-member secretariat as well as over 10 study groups, of which the machine and equipment study group has over 10 divisions.

The Finnish Negotiators of the 1982 Exchange of Goods Protocol:

Minister of Foreign Trade Esko Rekola (chairman); Under Secretary of State Ake Wihtol, Ministry of Foreign Affairs, and chief director Kalervo Hentila, Ministry of Trade and Industry (vice chairmen); mining counselor Pentti Herkama, Tuko;

director B. O. Johansson, TKL [Central Union of Industry]; assistant department chief Matti Liukkonen, Ministry of Foreign Affairs; managing director Harri Malmberg, Central Union of Metal Industry; department head Pauli Opas, Ministry of Foreign Affairs; managing director Matti Pekkanen, Central Union of Forest Industry; Chairman Sulo Penttila, Union of Finnish Metal Workers; general manager Eero Rantala, OTK; Secretary General Aimo Rikka, Finnish-USSR Chamber of Commerce; Consul Eero Salmi, Finland-USSR Society; managing director Peter Tallberg, Julius Tallberg Co; operations director Matti Uusitalo, Central Union of Agricultural Producers; bank director Pentti Uusivirta, Bank of Finland. In addition, there are 13 specialist members.

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CSO: 3107/40

AS NEED FOR USSR OIL DECREASES, TRADE PROBLEMS APPEARING

Helsinki SUOMEN KUVALEHTI in Finnish 4 Dec 81 p 22

[Commentary by Matti Virkkunen: "What Should We Buy From the Soviet Union?"]

[Text] Finnish exports to the Soviet Union are undergoing difficulties. To use the current in-group business jargon, they have bumped against the imports ceiling.

Already for the last 2 years, Finland has exported to the Eastern bloc noticeably more than we have imported. This year the quotas have already been exceeded, especially in the textile and shoe trades. The excess this year is already 1.7 billion markkaa.

The moment of truth is here. It seems that the tobacco industry feels it the worst. The entire tobacco quota was removed from next year's exchange of goods protocol. Soviet lungs will be protected from Finnish tobacco.

What kind of trade is this?, asks the layman.

It is called bilateral trade, answers the Bank of Finland. It is the system we have followed with the Soviet Union ever since the war. One of the principles is that import and export values have to correspond; in other words, they have to be maintained within quotas that have been agreed on beforehand.

It is interesting to note that Finland is the only Western country that trades with the Soviet Union on a bilateral basis. Other countries gave it up long ago, with the exception of developing countries.

Trade theoreticians have put forth the opinion that bilateralism deters the development of trade. Strangely enough, it does not seem to have done so with the trade between the Soviet Union and Finland. Between 1951 and 1975, the Eastern trade developed at about the same pace as our overall foreign trade, and since 1975, quicker than that.

It would be a complete mystery if we did not know that a large part of our imports from the Soviet Union have been tied to oil.

As the price of oil has gone up, Finland has been able to pay the cost by exporting to the Soviet Union increasing amounts of boats, shoes, textiles and foods.

Until now, Finland has clearly been the more enthusiastic partner regarding bilateralism. The Russians have often proposed that trade be based on free currencies, but the Finns have opposed this, and so things have been left as they were.

And what now, when our need for oil is decreasing? Will we continue to buy increased amounts and more expensive oil in order to be able to export to the Soviet people more and more boats, jeans, shoes, etc?

It appears that we will. It has been claimed, however, that the Soviet Union would be willing to sell us other things apart from oil and natural gas. But the question is, which articles do we need?

It might not be a bad idea to listen to the needs and opinions of the people at the grassroots level, since the actual trade negotiators seem to have exhausted their ideas.

So what do we Finns want to buy from the Soviet Union? Please write in about this, dear readers, those of you who have been to the Soviet Union, and others as well. We will publish the good new ideas.

However, I will warn you ahead of time about sending so-called "Kemppainens," i.e., questionable suggestions, for example that we might buy the Saimaa Canal or some land from the Karelian Isthmus.

The problem is a serious one.

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CSO: 3107/40

TRADE WITH POLAND CONTINUES STEADY DECLINE

Helsinki HUFVUDSTADSBLADET in Swedish 15 Dec 81 p 14

[Text] There was a brief upswing in trade between Finland and Poland during the seventies. Among the seven small CEMA countries, Poland was the only one to which Finland clearly increased exports. Imports from Poland also rose somewhat.

The situation changed significantly about the middle of last year due to the unrest in Poland, whereby its coal production declined. This year's imports from Poland, particularly coal, have clearly been cut, too, by 20 percent compared to last year. At the same time, Finnish exports to Poland were down by 71 percent. Finland's trade balance deficit is now 652 million markkaa.

Coal is the most important imported product, and in accordance with a long-term agreement between the two countries, Finland will import about 4 million tons of coal annually from Poland. That represents more than 80 percent of Finland's coal imports. However, only 1.4 million tons of coal have been imported from Poland so far this year.

The Polish authorities have also admitted that coal to Finland apparently will remain at the same low level next year, too.

Trade between the two countries has also been made more difficult by Poland's weak financial status. As a result, there has been a clear decline in the export of all goods to Poland, except for pork.

Unrealistic Loan Proposals

This fall, the Polish authorities proposed that Finland extend loans in the amount of 40 million dollars for exported Finnish goods to Poland. Authorities in Finland characterized the proposal as unrealistic since the problem of loans payable this year have not yet been solved. Finland has already extended loans totaling 3.5 million dollars to Poland.

Like other Western nations, Finland has also agreed to extend the amortization on Polish loans that came due this year.

Beyond that, there are 3.9 million dollars' worth of loans, which Poland is liquidating at approximately 300,000 dollars a week.

	Trade Balance Deficit	Balance-of-Payments Deficit
	Annual	Cumulative (end of Year)
1971	-0.4	-0.4
1972	0.9	0.5
1973	4.9	5.4
1974	7.2	12.5
1975	10.0	22.5
1976	9.8	32.3
1977	6.7	39.0
1978	6.0	45.0
1979	6.8	51.6
1980	2.4	54.2

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CSO: 3109/73

AIR INDUSTRY LOOKS FOR NEW PROJECTS AFTER VINKA

Helsinki UUSI SUOMI in Finnish 9 Jan 82 p 7

[Article: "Valmet's Several New Export Prospects"]

[Text] The last Vinka will fly from Valmet's Kuorevesi Plant this year. The Finnish aircraft industry is in a hurry to acquire new projects.

"However, there is no sense of impending doom. There are several prospects for ensuring the future, we are expecting new contracts in the area of the aircraft industry and even outside of it already this spring," discloses Manager Juhani Mäkinen.

Valmet's Kuorevesi Plant, specialized equipment, and a specially trained personnel are in a state of readiness and waiting. The series of 30 Vinka training aircraft for the Air Force is nearing completion. The last 10 aircraft will be flying this year already. The sixth Hawk aircraft will be in operational condition soon, 4--7 Hawks will be assembled. The first Suhinu or Valmet's P1k-23 Towmaster will undergo test flights at the beginning of the year.

This comprises the extent of known projects for the domestic aircraft industry. Naturally, the personnel of the plant will have considerable work to do in connection with the maintenance and repair of aircraft for the Air Force, but it is hoped that new projects will be acquired.

New Areas

According to Mäkinen new projects are still a secret. "The negotiations on agreements for new subcontracts are still so tentative that it is better to remain silent. However, the negotiations abroad are progressing and they do not just concern the aircraft industry, but other industry also.

"Everything is still open with respect to the new Saab-Fairchild aircraft. The negotiations have nothing to do with the Hawk."

According to Mäkinen one should not expect anything major from the negotiations, but it is rather a question of relatively small projects.

Vinka Again at Farnborough

Even though the Vinka has not been marketed abroad in spite of intense export efforts, Valmet has not given up. The Vinka will once again be presented next June at the Farnborough Air Show in England and it is hoped that buyers will be found.

"An attempt should be made to sell the Vinka even though the original intent was only to manufacture it for the Air Force. However, no markets have been found in spite of considerable efforts. But what is now important is that Valmet's name is known abroad.

"The chief reason for Vinka's poor performance in the export market is the smallness of our size. We are relatively unknown as aircraft manufacturers. The aircraft itself is quite competitive," notes Makinen.

Valmet's newest product, the Towmaster, was originally designed to tow gliders. In Makinen's opinion it is possible to develop this aircraft for other uses also, agricultural use, for example.

The first test flights of the Towmaster will begin in the near future. After the tests the development of the aircraft will be continued and its uses will be studied.

Tactics To Be Changed

"There is no sense in talking about the demise of the domestic aircraft industry. We have only to change our tactics. If one thing fails, you try something else," assures Makinen.

"It is most important that we retain the professional skills of our personnel, that we keep our aircraft and equipment in condition, and that we always have opportunities to be included in new projects."

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CSO: 3107/56

BRIEFS

KOIVISTO'S ECONOMIC POLICIES ATTACKED--Managing Director Heikki Tavela, vice chairman of the Industrial Association, the most visible spokesman for small and medium-size industry, considers the manner in which the leadership of commerce and industry, in general, expresses its understanding and especially its political views to be nothing more than a waste of time. According to him in these questions this leadership behaves as a hostage of the politicians and particularly the leftwing. We have become accustomed to the fact that even the slightest political stand gives the leftwing and the trade union movement the right to be terribly indignant. At the same time, in general, approval is given to almost anything the politicians do. Nevertheless, Heikki Kavela has not decided to become a political mover; even though he is one of the most visible representatives of commerce and industry supporting Harri Holkeri in the presidential elections. Naturally, Heikki Kavela has many times been compelled to deliberate what the Social Democrats actually want. The words of Mauno Koivisto's assistant, Finnish Bank Director Seppo Lindblom, have remained on his mind in particular: "An enterprise tax is the best means of socializing industry in Finland". "The Social Democrats have not clearly expressed, at least in connection with these elections, whether they recognize the necessity of a market economy in Finland or whether they intend to promote a more socialist economy over the long haul. Koivisto is a socialist. As finance minister or as prime minister he did not demonstrate himself to be anything other than a socialist. I do not understand why we should approve of a socialist predominance in the leadership of the nation. Even giving up one's membership card -- and even against one's will as Koivisto has himself stated -- will not change Koivisto's ideology at all. It is negligent and an underestimation of the people to argue that these elections are only personality elections, this is an incredible attempt to mislead the people. It is just as foolish to argue that now only Mauno Koivisto will be elected president. Socialist Koivisto's faction already includes the former president's cultural and court clowns, but above all it will include a group of new, strong socialists with their own socialist views and goals. Is this what the majority of the voters indeed want?" [Excerpt] [Helsinki UUSI SUOMI in Finnish 9 Jan 82 p 10] 10576

NEW LAW REDUCES WORK WEEK TO 39 HOURS, AFFECTS VACATION DAYS

Paris LE NOUVEL ECONOMISTE in French 4 Jan 82 pp 18-19

[Article by H.G.: "The End of the 40-Hour Week"]

[Text] The law which will reduce the workweek to 39 hours as of 1 February is now firm. To start with, over 6 million employees will be affected by these measures, primarily in public firms.

The 40-hour week is breathing its last breath. The law which will reduce the workweek in France to 39 hours as of February 1 is now firm. On Tuesday the minister of labor, Jean Auroux, was still meeting with several employer and union delegations, but this was more to inform them of the content of the law than to consult with them.

Employers and unions have had ample time, however, to make their views known during the 70 branch negotiations which followed the very general agreement protocol approved 17 July 1981. But last week, because of the little that has been accomplished, the negotiators all agreed to push back the end of their marathon talks to mid-February. Government experts were thus forced within a few days to come up with the miraculous synthesis which the parties themselves had been unable to do 3 years after the official opening of discussions.

Despite an overall negative tone, the results of branch negotiations did provide a framework for the government law. Thirty-three agreements have already been signed--24 in the private and 9 in the public sector--and they affect over 6 million employees. Some public firms such as the SNCF [French National Railroad Company], the RATP [Independent Parisian Transport System] and EDF [French Electric Company], who were responsible for setting an example, included a 35-hour week in their plans. On the other hand, the CGT's [General Confederation of Labor] push to obtain a 38-hour week this year was not accepted by either Pierre Mauroy or Yvon Chotard.

The failures have highlighted the sensitive points. For employers, this involved making the workweek reduction as painless as possible by counting on increases in productivity or even on steady salaries. The unions wanted to allow the creation of jobs by limiting overtime. From the mass of arguments exchanged on both sides the government retained three basic principles:

First, not to be satisfied with a simple reduction in the legal workweek, but to obtain an actual reduction. The extremely ambitious goal of the law is to reduce the "actual average workweek" to 35 hours in 1985. The government text has chopped off much more from the authorized maximum workweek than from the very theoretical legal workweek: almost 298 hours less in the first case vs. 143 in the second (see chart). Overall, the change is substantial but not disproportionate. Whereas previously the law recognized only one legal, paid holiday--May 1--most collective bargaining agreements had already established the eight that are in the government statute. The 5th week of vacation, which will not be added to the 4 summer weeks, already exists in most firms as vacation for length of service.

To offset this real reduction, the law provides employers with some flexibility. Maximum possibilities have been provided but the obligation to negotiate case by case will serve as a restraint. Henceforth, employers have at their disposal a reserve of 130 overtime hours that can be used without the approval of the work inspector. However, the organization of these additional hours around the weekly 40-hour threshold must be defined by branch agreements. (For example, 2 hours under or over is proposed in metallurgy, 4 hours in construction, 5 hours in agricultural production.) Similarly, a firm can circumvent the various decrees of 1936 on the organization of work hours merely by signing an agreement with the representative unions. For example, the shift which women cannot work--now between 10 pm and 5 am--could be changed by agreement to 11 pm-6 am or midnight-7am. Weekend work is now allowed for all industries with a heavy machine investment. Pay will be at time-and-a-half.

The last, most difficult point is that the proposed reduction aims to create jobs. Without any illusions on the 39-hour effect, the government is expecting results mainly from the cutback in overtime. Above the 130 "free" overtime hours per year, employers can still be entitled to an additional 199 hours upon approval. However, these extra hours must be offset by additional rest days at a rate of 50 percent. Thus, on an average basis, the maximum workweek will be 42.5 hours vs. 48 hours today.

Only this shock to laggard firms--about 1.7 million employees--will have any automatic effects on employment. The Ministry of Labor thinks this will result in 80,000 to 150,000 jobs.

What Will Change on 1 February

The Major figures	Before the law	After the law
Legal workweek	40	39
Maximum workweek	48	46
Number of paid holidays	1	8
Number of weeks paid vacation	4	5
Legal annual work hours	1912	1769
Maximum authorized annual work hours	2296	1998.5

9720

CSO: 3100/229

OPPOSITION FROM LABOR, MANAGEMENT TO DEN UYL'S JOBS PLAN

Amsterdam ELSEVIERS MAGAZINE in Dutch 16 Jan 82 pp 15-17

[Report by Dieudonnee ten Berge: "War with Den Uyl; Union Movement Feels 'Duped'"]

[Text] In less than 4 months the cabinet was having raging arguments with practically all the important socioeconomic groups in our country. The formation fairy tale of broad social support, the only redeeming remedy against any wrong, turned out to be a bad dream. The sad climax is the recent declaration of war of the entire union movement to its "own" man: Joop den Uyl. And while Prime Minister Van Agt is recuperating from his leg surgery in Madeira, the chess pieces are silently moved. Dieudonnee ten Berge contemplates the various moves the parties are preparing.

"First illness benefits are taken from the workers' pockets, and next fat factories with fat machinery are built from that." Speaking is Fred Ales, aggressive leader of the militant FNV [Netherlands Trade Union Federation] Food Union. "Is it socialistic to take from workers and give the money to their bosses?" he accosted Secretary of State [for Social Affairs] Ien Dales. The union movement is furious. "Never this, Joop," reads a pamphlet which is being distributed by the Industrial Union in a printing of $\frac{1}{2}$ million copies.

The always somewhat staid CNV [National Federation of Christian Workers] drags Den Uyl before the judge: Den Uyl has to keep his hands off existing contracts. But the packet of measures of the socialist duo Den Uyl-Dales does not take that into account. Concluded CAO's [Collective Labor Agreements] must be breached in order to come up with 1400 million guilders by way of illness benefits. The packet springs forth directly from the Lubberian government accord. One of the prices the Labor Party had to pay to be part of this cabinet.

In October, after [formateurs] De Galan and Halberstadt had put the car -- which had derailed after 30 days -- back on the track again, the socialist circle was of the opinion that the calamity of the decrease in illness benefits would pass them by. Den Uyl refused to fill in the promised curtailment and meanwhile looked for other means. But the situation of the state's finances worsened every week. [Minister of Finance] Van der Stee continued to demand more money. The socialists were confronted with the naked reality, a situation one had to get used to after 4 years of noisy opposition.

The entire union movement, including the very neat club of Middle and Higher Education personnel, is crowding together against Den Uyl. Forgotten are the days in which the formation of a CDA [Christian Democratic Appeal]/PvdA [Labor Party]/D'66 [Democrats' 66] cabinet was desired as rapidly as possible, preferably under Den Uyl's leadership. "We have been duped," one hears now, and "It is war." In such an atmosphere the fat factories with the fat machinery are doing very well, of course. For convenience' sake one omits to mention that precisely in new factories with new machinery people can be put to work again.

With just two measures in just a couple of weeks, Den Uyl sacrificed his entire reputation as "Uncle Joop, the defender of the weak in society": the interfering with the illness benefits and, before that, the wage measure. The income picture, as it is so nicely called, would -- cost what may -- end in a purchasing power loss of -1 percent for the minimum incomes and -4 percent for the highest incomes. Indeed an agreement in the government accord. Neither employers nor employees had much interest in a leveling which went further. The daily practice on the floor had taught them that squeezing the wage structure any further was impossible. And indeed, it was no longer accepted by the working part of the population.

At the beginning of December the joint employers launched a plan which would both furnish more economizations and give considerably more people a job than would the prestigious jobs plan with which Den Uyl had terrorized the formation. Only the -1 to -4 [percent] purchasing power picture would look different. "I must admit that your plans provide more work, but I find the price too high," Den Uyl is supposed to have said in the Labor Foundation. And that right away meant trouble with employers, who decided to no longer participate in Den Uyl's jobs plan. The plan itself was mercilessly unmasked by the Central Planning Bureau. The 60,000 new jobs promised for this year turned out to be 5000 in the most favorable case. (See ELSEVIER of 12.5.81) For Den Uyl nothing was left but to push through his leveling policy via a wage measure, among the jeering laughter of the entire socioeconomic world.

It took a few months before Den Uyl thus met his economization promise, but it did in fact turn out to be a well thought-out piece of work. The clever politician Den Uyl at his best. If everything goes well, he can turn a tough problem into an interesting gain for himself and his party. With the cutbacks in illness benefits Den Uyl hopes to catch at least three political flies in one swoop. 1) He proves that socialists also are willing to make painful interventions; 2) he obtains a good starting position for further curtailment negotiations and 3) he can halt the uncoupling of wages and benefits this way. The price -- being at odds with almost everyone -- Den Uyl pays gladly. It is an investment which will have very good returns. When the indignation has died down, Den Uyl's position might have gained considerably in strength.

The proof that PvdA members also are willing and able to cut back, even at the expense of the relationship with their own party and the FNV, is of great importance for the coalition. Van Agt and his associates are thus being robbed of the alibi to contrast themselves too much with the PvdA in general and with Den Uyl in particular. Politically it will become much more difficult for them to force a breach, for the PvdA has shown itself to be a reasonable coalition partner on an unpopular point. Simultaneously it has become more difficult to isolate Den Uyl

from the other PvdA ministers, since he was the one who took the lead. Den Uyl badly needs the weakening of resistance against his person, for he already has plenty of problems in his own party. The lobby to forcefully push Van der Louw forward as the new socialist leader is becoming continually stronger within the PvdA. Many PvdA executive members are already willing to get rid of Joop in favor of the "Rotterdam clan." A stronger position in the cabinet could rob the party associates of a number of arguments.

The second useful effect is Den Uyl's starting position in further curtailment negotiations. He has acted. Now the others may do so. CDA and D'66 for example, with the children's allowance. Those two parties are deadly set against making the children's allowance dependent on income. But if Den Uyl is prepared to make nasty cutbacks, CDA and D'66 should not complain. On other points also, Den Uyl can ask for support from the coalition partners, now that he was willing to go so far himself. Support for his jobs plan, for example.

Den Uyl's third gain is the halting of uncoupling wages and benefits. With that he could regain considerable credit in his own party and in the union movement. Two agreements in the government accord are important: the collective burden -- premiums and taxes -- must not increase any further, and wages and benefits must not be uncoupled. Currently unemployment is increasing so explosively that those agreements are under pressure. "500,000 unemployed by the end of February," prophesied Den Uyl somberly last week. "Then the WW [Unemployment Act] premium will still have to go up next year, in spite of the government accord."

The tens of thousands of new unemployed must be paid of course, and the money has to be found somewhere. Either the premiums of the employed have to go up or the benefits down. In principle, Den Uyl opts for a premium increase. With the suggestion that this means a breach of the government accord, Den Uyl lets the opponents of the premium increase shoot their bolt. When it comes to the point, the premium increase will not turn out to increase the burden, and then, Den Uyl hopes, everyone will be happy to swallow the premium increase. In order to complete that calculation trick, Den Uyl needs his illness benefits measure. When illness benefits go down -- and because of that absenteeism is expected to decrease somewhat also -- the premiums ZW [National Health Insurance Act] can also decrease. Because from now on premiums on national health insurance can be levied on illness benefits, the premiums AOW [General Old Age Insurance Act], AWW [General Widows and Orphans Act], WAO [Law on Labor Disability] and WW can also decrease slightly. Thus then it is not contrary to the government accord to increase the WW premium in connection with the increasing unemployment. The collective burden as a whole would not increase. The government accord is not being violated then, and no one has a leg to stand on any longer. Unless the chronic grumblers point out that the illness benefits measure is precisely intended to cut back in collective provisions, and that, in contrast, an increase of the WW fund is nothing but taking from one pocket and putting into another at a macro-level, which does not improve the economy as a whole. Thus Den Uyl's argument, often heard these days, that his cutback in the National Health Insurance Act builds a dam against uncoupling, is correct, but the reasoning is much more complicated than that.

Further it remains to be seen whether the changes in the National Health Insurance Act will indeed be adopted without modifications, and whether sufficient useful effects will remain. In particular, the one-time prohibition against the employer paying a supplement to the illness benefits to 100 percent, for which Den Uyl has to intervene in all the CAO's, is meeting massive opposition. If he should lose that point, either through a compromise with the social partners or through the judge, a very important pillar is removed from the structure. Then nothing will come of the measure, unless Den Uyl still decides to go for a complete wage measure. But then he will isolate himself completely, and his position within the cabinet would become precarious.

It also remains to be seen what line the PvdA ultimately will take. The socialists so far have been advocating a slight increase of the workers' premium, in contrast to which the employers' ZW could go down a little. That means a purchasing power sacrifice for the healthy workers in favor of the ill. And moreover, that is where the judgment of the party council lies. After the clash over nuclear arms, many people in the PvdA parliamentary group in the Second Chamber don't want a second clash with the adherents, whose enthusiasm for the cabinet is already disappointingly low. And finally: both a complete wage measure and a premium increase for the working population brings the -1 to -4 purchasing power picture into fatal danger. And Den Uyl had initiated his limited wage measure precisely because of that -1 to -4, thus the circle is complete again.

For the time being the storm is passing Van Agt by. The prime minister is on vacation for two weeks, after his leg surgery at the beginning of December. Since that time Den Uyl has been presiding over the council of ministers. The "Second Den Uyl Cabinet" has indeed arrived, said [comedian] Wim Kan on New Year's Eve. Den Uyl utilized the opportunity, amongst other things, by promoting Van Agt, without asking, to chairman of the ministerial task force which would be involved in the jobs plan. A clever tactical maneuver, because both the CDA and Van Agt thus are being committed to that plan. The enthusiasm of the Christian Democrats so far has been much too low for Den Uyl. If the plan should fail, the CDA would thus at least be partly responsible, especially task force Chairman Van Agt. It is interesting that the proposal to make Van Agt chairman of the task force originated with CDA member De Koning and D'66 member Terlouw. Den Uyl rose to the bait immediately and eagerly. However, knowing Van Agt, it remains to be seen whether he will fall into the trap. He has said on occasion: "If you look away for a moment, Joop moves the chess pieces." It may be assumed that Van Agt knew exactly what his position on the board was when he left the competition room temporarily. And Den Uyl has had to recognize a superior in Van Agt on other occasions.

8700

CSO: 3105/87

INDUSTRY FEDERATION'S FORECAST SEES 1982 DOWNTURN

Oslo AFTENPOSTEN in Norwegian 17 Dec 81 p 25

[Text] Norway's Industry Federation has issued its report for the fall of 1981 through its economic-political division. It is not bright. Norwegian export prices will go down 3 percent in 1981 and one percent in 1982. While we will have a favorable balance of trade in the amount of 10 billion kroner this year, next year we will have a deficit of about 3 billion kroner.

This year industrial production will go down by 1.5 percent. Next year it will increase by 0.5 percent in relation to 1981. Norway's economy will grow 0.25 percent this year, only to fall by one percent next year. There has been a slight worsening of competitiveness in Norwegian industry this year. Next year it will deteriorate still more.

Other conclusions in the report are that industry's self-financing ability, which was at 3 billion kroner in 1980, will be at 1.5 billion kroner this year, and about 2 billion kroner next year. Investments in industry will sink 15 percent next year. While imports remained unchanged from 1980 to 1981, they will increase by 7 percent in 1982. Private consumption will rise by 1.5 percent both this year and next year.

Stagnation

The Industry Federation has worked out several models for the Norwegian economy next year, but Director Egil Bakke said that they have arrived at what seems most logical, that we will have little growth, or stagnation, in 1982. The stagnation will come because we have not lived according to our means, but have rather increased demand greatly. This has led to pressure on costs.

"The Labor Party government's economic policy presented in October means that costs will also rise faster in Norway in 1982 than in the countries we are in competition with. The Conservative Party government's revisions will only change this marginally," Bakke said.

The report says that various measures should be considered that can insure that wage increases agree with ability to compete. One such measure would be for the firms that must compete to act first, and that the protected sectors, not least of all the government, as the country's largest employer, set their wage increases according to what the industries that have to compete can afford to give. The Industry Federation also indicated that the rules for wage setting in the protected areas should

be changed, but made no concrete suggestion. It should take place in such a way that one cannot automatically use the same procedure as that of the firms that must compete, the report said. In the firms that must compete, effective competition sets limits on unreasonable conduct.

Misguided Subsidy

Again it was emphasized that financial policy must gradually be restricted so that growth in expenditures is reduced. "It seems clear that our rapid growth in costs and weakened ability to compete not only has to do with an expansive financial policy, but also comes from organizations, professions, and firms having managed to negotiate themselves away from the necessity of changing according to the changed market conditions. Here direct subsidy of businesses, branches, and, not least, of individual ventures, is of quite special significance. The subsidy contributes to the maintenance of a cost level that other firms have difficulty living with. There is therefore reason to fear that in the long run the subsidy will not help the economy, but increase the problems by further weakening ability to compete. It supports wage growth and weakens productivity growth, the report said.

Profitability Down

It also greatly emphasizes that in spite of the government's policy, the firms have independent responsibility for their profitability. Industry's profitability in total will be greatly weakened both in 1981 and 1982. While total profitability was about 10 percent in 1980, it will fall to between 8 and 9 percent this year. This gives a very low self-financing ability.

"When our ability to compete is weak, we must improve," Director Bakke emphasized. "If we do as well as we can without attaining our goal, then we must live according to our means; wages must go down. This is what we hope as many as possible will understand. The balance of payments abroad will deteriorate by 12 to 13 billion kroner from this year to the next. Insufficient coverage by the oil contribution will increase. We must have enough people in industry to make the country's economy come into balance." (AFTENPOSTEN will have a more explicit discussion of the report of the Industry Federation in the Saturday morning edition.)

9124

CSO: 3108/36

LOSS OF INTERNATIONAL COMPETITIVENESS IS MAJOR CONCERN

Oslo AFTENPOSTEN 19 Dec 81 p 5

[Commentary by Kjell Aaserud]

[Text] "Give me the cold and smart ones who understand my reality. More than many who say they believe, I need some who know."

Norway's Industry Federation (economic policy section) has again presented an imposing work on economic development that, according to the report, is far from bright. There are many reasons. The most important is that we are constantly losing ability to compete.

Here we will report a little on one of the causes--inflation. It is difficult to control, so difficult that Egil Bakke of the Industry Federation has, by way of introduction, used Rudolf Nilsen and "The Voice of the Revolution" to emphasize that there really is a need for some who know.

Living on Undisturbed

The Industry Federation is certainly right that most people regard it as something of an admission of failure that we, in spite of unanimous national declarations that the goal is to fight inflation, see that it lives on undisturbed. But the goal is not to get rid of inflation at any price, either. We do not want to have mass unemployment, social need, and squandering of the nation's natural resources just so that prices will go down. Many think that if we do not control inflation, we will in the long run not manage to avoid the real economic and social conditions from which the policy is trying to lead us away.

Everyone thinks that inflation should be slowed down, but apparently we do not know how to do this. Among the measures tried are price regulation and price freezes. This is an attack on the symptoms we do not like, but it has nothing to do with the underlying causes of inflation. Studies in Norway and other countries show that price control and price freezes have not slowed inflation down. Wage and price freezes are a little different. There is much evidence that this can have a better effect, because one is at the same time regulating the causes of the symptoms, namely wages, but experience shows that this, too, only has the effect of delaying the pressure of inflation. Re-evaluation of the currency does not seem to be a good method, either. The results of increasing the value of the krone in 1973 were alarming.

Reduction of duties, national prices, and such, are regarded as short-sighted solutions. They relieve the pain for a while so that the player can stay on the field and be in danger of a crippling injury, to put it in colorful football language.

A Trick without Effect

"We must put away the belief in clever tricks such as the above if we are to fight inflation," the Industry Federation says. We must find our way back to the real causes and discuss more detailed policy attacks or strategies. The thought behind the catchword, "Wage Policy," has been that the employers, the workers, and the government should divide "the cake" in a reasonable manner. But we are acting as if "the cake" were growing by 15 percent when it is growing by 5. The OECD has little faith in wage policy as an effective means.

Most people will in principle agree that the policy of regulating demand plays a central role in the fight against inflation. When growth in the public sector comes under the spotlight, it explains many relationships. An illustration of the growth is that the number of employees in the public sector increased by a good 100,000 people from 1970 to 1980. This growth is connected to the increased deficit in the government's budget (covered by oil income). There is much evidence indicating that if we are to restore the balance in our economy, reduce the pressure on the labor market, and slow down inflation, the rate of growth in the public sector's demand must be strongly reduced. We must stand against our desires to approve further appropriations in public budgets to solve social problems, appropriations that we do not at present have enough productivity to bear.

Labor Force on the Wrong Shelf

Denmark, Sweden, and Norway are in a way in the same position. In order to bring the Danish economy into balance, the Danes need 100,000 more workers in industry and agriculture. But they cannot be found in spite of 250,000 unemployed--because of very favorable unemployment pay. The growth in the public sector has prevented expansion in industry and agriculture, which are profitable and competitive in Denmark. But they are too small to bear the administration the country has built up. Sweden's economy needs a growth of 5 percent per year for several years for it to be turned around. In order to accomplish this, industry must grow at the rate of 10 percent a year. Therefore the public sector must give up workers.

The situation is about the same in Norway, but we have had oil income to help us. When this stops showing an increase in the 1980's, we will also have clearer problems in our balance of payments abroad.

Our regulations limiting mobility have increased inflation.

Now there seems to be more political will to regain competitiveness and to reduce regulations and systems that have a protective and cost-increasing effect, all in all, to simplify the country somewhat.

The Industry Federation sums up as follows: Inflation is caused both by too high a demand, inability to adjust to changes in the demand structure, and by the ability of protected groups to drive up the cost level. The fight against inflation must be waged in all these areas.

On a reasonable basis almost everything makes it difficult to disagree with this.

PAPER URGES ACTION TO DAMPEN WAGES-COSTS PRESSURE

Oslo AFTENPOSTEN In Norwegian 21 Dec 81 p 2

[Editorial: "Expenses Must Be Lowered"]

[Text] The recent predictions in the development of the economy point in the direction of a further weakened ability to compete in 1982. The point of departure in relation to our most important competitor is already very weak, and this disparity is expected to increase in the course of the coming year. Studies undertaken by Norway's Industry Federation conclude that our ability to compete can deteriorate significantly next year if the wage earners' disposable real income is /maintained/ [in italics] on the average from 1981 to 1982.

This means that on a national economic basis we have no surplus to divide. And this unpleasant fact is something we must take note of. In the coming wage negotiations, which will be watched with increasing interest, one must establish as a basis that the wage costs per unit produced among our most important competitors will increase noticeably less in 1982 than in 1981. And in the current year the situation is such that these costs will rise by about one and a half percent more in Norway than the average for our trading partners. Should we, against this background, continue to pull ourselves up by the hair and pretend that we can allow ourselves incomes that are not covered by production, it can have catastrophic effects for employment. As we all know, it is never smart to saw off the limb one is sitting on.

Stated quite briefly and simply, it is more important now than ever before to be able to dampen the pressure of prices and costs. This places a great demand on both the government and the organizations, yes, in truth, on each one of us. For if we do not succeed in this task, we will not be able to strengthen the work place and with this to ensure employment. With its economic plan for next year the government has set out on a course that in the long run will be able to restore the economic balance and to strengthen the ability of the economy to compete. The present budget for 1982 will already drive up costs much less than the previous government's plan.

The Norwegian cost problem must be attacked from several angles, with monetary policy, tax and duty policy, credit policy, and--not the least--with an income policy that can hold wage increases within national economic responsible limits. With its tax proposal for 1982, the government has made an active contribution to dampening inflation by a moderate income settlement in spring. The taxes should make it possible to put wage demands on a lower level, at an estimated to percent /lower/ level than what one would otherwise have calculated. Lower taxes means that a desired real wage increase can be reached with lower and therefore less cost-raising wage increases.

The wage negotiations in spring will be an important test of the organizations' will to dampen inflation, to fight a price-cost development that in our country represents and increasing threat to jobs. A radio discussion Saturday evening between Prime Minister Kare Willoch and the vice-chairman of the LO [Norwegian Trade Union Organization], Leif Haraldseth, showed that the basis exists for a good cooperative relationship between the government and the labor unions. We hope that this can contribute to the negotiations being less difficult than it looks as if they can become now.

9124

CSO: 3108/36

GOVERNMENT SUBMITS AUSTERITY BUDGET WITH LARGE DEFICIT

Social Services Hard Hit

Stockholm SVENSKA DAGBLADET in Swedish 12 Jan 82 p 4

[Article by Hans O. Alfredsson]

[Text] Savings totaling 13.4 billion kronor are presented in the budget proposals. Many social services will be hit. The amount is greater than the "12 billion" talked about earlier, but the government's solution will certainly be scrutinized very critically.

Do the proposals mean that the government has really succeeded in reaching the goal set? How much will the state really "save" on the measures that are being proposed?

Such questions will be asked.

Rolf Wirtén (FP [Liberal Party]), minister of budget, is referring to the effect for the whole year when he puts the amounts of savings together and gets the sum of 13.4 billion kronor. He is ignoring the fact that 900 million kronor of the amount saved will be used for measures that the government regards as especially urgent.

But even if this 900 million kronor is deducted, he says, the net saving will be greater than 12 billion kronor. The saving goal would thus be attained.

In any case it is the whole twelve months that the calculations are based on.

Gloomy 1982

If we calculate on the basis of the fiscal year the sum of the savings comes down to 9.7 billion kronor. If we only look forward to the 1982-1983 budget, it stops at 8.6 billion. And if we restrict ourselves to state expenditures, the savings during the fiscal year come to only 6.3 billion kronor.

The differences are explained by the fact that the government also counted in savings in the social security sector, which is outside the state budget, and counted on increased income, partly from the municipal sector.

In a long exposition of the government's proposals the minister of budget explains what in his opinion "savings" are. The main idea is: only "measures which result in direct reductions in volume compared to the current rules" are regarded as savings.

He also explains why the government did not make more effort to attain the goal of 12 billion kronor for fiscal 1982-1983 alone.

That is due, he says, to the fact that the market outlook for 1982 is gloomier than it appeared in the fall. The government has relied on measures that will have their greatest effect when there is an upturn in the market.

Of the 13.4 billion kronor, 4.1 billion was accounted for in the fall in what is called "the September package." The present proposals thus account for another 9.3 billion kronor.

Reduced Contributions

Nearly 4 billion kronor concerns the municipal sector. Almost an equal amount hits contributions and transfers of money to other sectors of society. The latter have to do primarily with cutbacks in health insurance, unemployment insurance, and dental care insurance. In addition some 850 million kronor is to be saved in the state agencies.

Several of the economy measures will be made more specific in separate proposals. The budget proposals give only the main outlines and how much money the state is expected to save.

The table on the next page shows how the savings are distributed ministry by ministry. Here are examples of what they involve:

Largely by increased self-coverage [i.e., "deductible"] in health insurance the government is counting on saving 650 million kronor during the fiscal year. By changes in dental care insurance 200 million kronor will be saved, and by reduced contributions by the health insurance to preventive health care measures 150 million kronor will be saved (this last calculated for the 12 months).

Unemployment insurance is being changed so that the state will save 520 million kronor. A total of 188 million kronor will be saved by changes in job-market training and preparedness work.

Less Construction

Another 240 million kronor will be saved in the school sector (besides 500 million that the Riksdag has already decided on). The student aid system is being made more efficient, so that the state saves 300 million kronor.

There will be cutbacks of 300 million kronor in the police system, 500 million kronor in legal assistance, and 300 million kronor in total defense.

The activity in state construction work is being cut down so that there will be a lasting saving of 100 million kronor. Changes in crop damage insurance, support to safety equipment on fishing vessels, and support to modernization of agriculture, etc., will save a good 70 million kronor.

Savings in Millions of Kronor

Field	12 Months	Fiscal Year 1982-1983
"The September package"	4,100	3,800
Municipal sector, general measures	3,000	1,500
Justice	140	90
including legal assistance	(50)	(30)
Foreign Affairs	40	40
Social Affairs	1,880	1,060
including health insurance	(1,400)	(650)
dental care insurance	(200)	(200)
contributions to preventive measures	(150)	(80)
Communications	150	130
Economy and Budget	200	150
including state maintenance of premises	(100)	(100)
wage and salary costs, incl.		
retraining	(90)	(50)
Education	1,230	1,230
including schools	(740)	(770)
student support	(300)	(260)
Agriculture	70	60
Trade	430	430
including oil storage	(400)	(400)
Labor	780	780
including unemployment insurance	(520)	(520)
preparedness works	(80)	(80)
contributions to municipalities		
for preparedness works	(60)	(60)
Housing	1,200	-
Industry	70	70
Municipalities	20	20
Total ca.	13,400	9,700

The state oil storage program is being extended in time and financed in a different way. The state will thus save 400 million kronor. By limiting the size of newly built cottages with state loans, 70 million kronor will be saved. Later there will be proposals for savings on housing subsidies.

At the same time the budget will be reinforced by increased oil and gasoline taxes, etc.

The budget minister also mentions proposals to transfer the insurance systems' funds to the state (reducing the health insurance appropriation by 475 million kronor), and says that the government is preparing a tax on sound and video cassettes.

Improvement Seen by End of Year

Stockholm SVENSKA DAGBLADET in Swedish 12 Jan 82 p 6

[Text] Income: 169 billion kronor. Expenditures: 251 billion kronor. Deficit: 82 billion kronor.

That is how the thousands of pages in the 1982-1983 state budget can be summarized. Compared to the budget bill for a year ago it means that the income has increased by 11 billion kronor, disbursements by 26 billion, and the deficit, consequently, by 15 billion.

If, on the other hand, we compare this with the now expected result of this year's budget--a good 78 billion deficit--the increase is 4 billion kronor. All comparisons in the remainder of this article, however, are with the 1981 budget bill.

Almost the entire increase in the deficit is due to interest on state debts, which are increasing by 50 percent--from 26 billion to 39 billion kronor. A still greater relative increase is shown, however, by the Ministry of Industry, whose appropriation is nearly doubled. This is due in part to the fact that the state-owned enterprises' need for money was substantially underestimated in the previous budget proposal.

Ministry of Social Affairs Biggest

The Ministry of Social Affairs alone accounts for one-fourth of the expenditures --64 billion kronor. Of this, 37 billion kronor goes for old-age pensions, but the state gets back 24 billion in old-age pension taxes. After the interest account of 39 billion kronor comes the Ministry of Education in third place in the expenditure league with 32 billion kronor.

The proposed appropriations for the Ministries of Budget and Agriculture are reduced, due to lower contributions to the municipalities and to reduced food subsidies respectively.

The income tax and corporate tax are expected to increase by 5 billion kronor, while the MOMS [value added tax] will decrease by almost as much. The MOMS revenues were greatly overestimated in last year's budget--they amounted to nearly 7 billion less than calculated, and the new proposal is thus an adaptation to that level.

The tax on gasoline is being raised by 7 öre a liter as of 1 April. On the same date the tax on heating oil will be raised by 75 kronor a cubic meter.

Practically no new expenditures are proposed in the budget. It is proposed, however, that retired persons with supplementary pensions get 30 kronor more a month beginning 1 July. It is also proposed to raise the handicap compensation and the contribution to care for handicapped children.

In the government's budget it is stated that about 13 billion kronor is being saved by cutting down on expenditures that the state has this year.

Better Times

In the financial plan that is presented together with the budget the government prophesies better times at the end of the fiscal year, i.e. the spring of 1983. Unemployment will be high in the winter but then decline.

About 70 billion kronor of the budget deficit will be borrowed in Sweden and the rest abroad.

Exports are expected to increase more than imports, and this would lead to a surplus in the balance of trade. In the exchange balance, however, which also includes the interest that the state pays abroad, a continuing deficit is expected of ca. 14 billion kronor.

The gross national product, which dropped by 1 percent in 1981, is expected to increase by a similar amount this year.

Price increases are expected to be somewhat lower than they were during 1981.

Fälldin Defends His Budget

Stockholm SVENSKA DAGBLADET in Swedish 12 Jan 82 p 8

[Interview with Thorbjörn Fälldin by Elisabeth Crona]

[Text] "This is the strictest economy budget that any Swedish government has ever presented," Prime Minister Thörbjörn Fälldin says of the fifth budget that he has had final responsibility for.

But among all the billions in cutbacks he picks out 900 million kronor--the money that is to give the budget its distribution policy profile.

[Fälldin] These millions are for new measures that provide for the economically most exposed--the poorest pensioners, the handicapped.

[Question] Could your governments not have begun to economize earlier?

[Answer] We could have done that per se. But it has taken a good while to convince everybody that the situation is such that we must economize.

If we look at the Social Democrats, they still do not know today which leg to stand on.

Economizing is not enough, of course. We must at the same time create conditions under which Swedish industry can sell in international competition.

Purchasing Power Going Down

[Question] Will the Swedish people have it worse in their everyday life when this budget begins to work?

[Answer] Yes, those actively working will have a reduced purchasing power. But remember that this is a reduction from a level that is perhaps the highest in the world.

If we continued as before, with every day we should be putting an increased burden on our children and grandchildren.

[Question] Is there anything positive in saving and holding back?

[Answer] Yes, saving in its broadest sense is an extremely positive thing. Otherwise we shall be squandering our resources.

[Question] Politicians of the center have often said that the crisis may have the good effect of forcing the emergence of better and cheaper forms of care. Is that an ideology that holds up?

[Answer] On the care side we can still say that it is advantageous both from the individual's point of view and that of society to accomplish the care on an individual plane as long as possible.

For example, it is extremely positive for many handicapped persons that they have gotten out of the institutions.

These ideas are also at the bottom of it when we Center Party members continue to push the demand for care compensation in families with children.

Second Cheapest Food

[Question] Are people economizing wrongly when they buy TV's but criticize the food prices?

[Answer] I think there is every reason to point out that if you take a shopping bag full of food and see what it costs in terms of work, we have the second cheapest food in the world.

[Question] Are the Swedes more crisis-conscious now than under your first government?

[Answer] Yes, there is no doubt about that.

Understanding in Letters

[Question] How does that show up?

[Answer] In letters that I get. People write and say: We understand and realize that we must save. But the demand that they make is that the economy measures not hit those who are in the worst situation. Sometimes they are pleading their own cause, but not always.

Practically all of the letters express irritation over the present tax system. That is why a change is so necessary.

[Question] Is it a thankless job to be head of the government in times of cut-backs?

[Answer] That is an experience that I am sharing with other heads of government all over the world. And as in other countries, the opposition is making use of the situation.

At the same time I know in my heart that when we get a chance to present our measures and our judgments, respect for us who are in the government will increase.

There is a problem purely in publicity. Such solutions as we have will not get any ovations.

Get Small Headlines

They get small headlines compared with confrontation policy.

The Conservatives and the Social Democrats have consciously exploited this situation and gotten more publicity.

[Question] Could you consider a broad coalition government?

[Answer] An external threat need not be of a military nature, I think. But the Social Democrats have categorically rejected such a government. And look at Denmark, which is in an even more exposed situation. It has still not been possible there to establish a broad coalition government. It is better to take account of the possibilities of concerted solutions.

[Question] Are you really saving 12 billion kronor?

[Answer] We are saving over 13 billion kroner net per full year. But part of the effects will not come until calendar year 1983. But when we formulated the question last spring we said that it was necessary to take a market-policy judgment into account. There is always the question of maintaining a balance so that we do not pursue a policy that leads to unemployment.

Paper Comments on Budget Proposal

Stockholm SVENSKA DAGBLADET in Swedish 12 Jan 82 p 2

[Editorial: "An Election-Year Budget"]

[Text] Can a budget proposal that does not contain any big reforms but does contain noteworthy efforts to limit the rate of increase in public spending be designated as an election-year budget?

Yes, indeed.

If in 1977 a budget proposal had been presented of the same character as the one the government has now presented for 1982-1983, it would have been excellent. If a budget proposal of this type had been presented in 1979 instead of the heedless election budget that the Liberal Party government took the responsibility for at that time, it would have been commendable.

But as the years have passed the acute seriousness of the state financial situation has become clear, and consequently the demands on the state budget and the need for restricting public spending in general have increased considerably.

But throughout the non-socialist years financial plans and budget proposals, in spite of good understanding and praiseworthy intentions, have all had the same

characteristic: too little and too late.

The budget bill that has now been presented has the election-year character in that it conceals the most troublesome problems, applies a narrow and short-sighted perspective, contains inadequate savings, gives a smoothed-out picture of the economic situation, and avoids a discussion of what really needs to be done to get control over the public finances.

The government's proposal means that state expenditures continue to grow more than revenues. The budget deficit is expected to increase by a good 4 billion kronor to over 82 billion. The state debt and the interest on it just grow and grow.

In the spring of 1980 the three-party government then in power set a long-term goal for the development of the budget balance. As a percentage of the gross national product the budget deficit was to decrease by 1 percentage point a year, from 10-11 percent in 1980-1981 to 6-7 percent in 1984-1985.

With regard to that the government now mumbles in obscure terms that it formerly had the aim of reducing the budget deficit as a percentage of the GNP and that the deficit probably "will remain at the present level, e.e. about 13 percent."

As for what the goal set in 1980 signifies, the government is not saying a word about that now. Nor does it mention that according to that goal the budget deficit for 1982-1983 would be 8 to 9 percent of the GNP instead of the 13 percent now estimated. The trend has thus gone in exactly the opposite direction to the intended one. But the government is trying to sweep the problem under the rug.

The government seemingly prefers to forget the old goal for the development of the budget deficit. That may be. But then it should have stated a new long-term goal, perhaps defined in a different way. But oh, no, not in an election year.

The government takes the same sweep-it-under-the-rug attitude when it comes to the so-called debt service quota, i.e. the amortizations and interests on state debts in relation to the state revenues. In an article in SVENSKA DAGBLADET between Christmas and New Year's that drew a good deal of attention, Carl Bildt, Conservative member of the Riksdag, showed that by 1985 these interests and amortizations would swallow 75 to 80 percent of the state's revenues.

Concerning this prospect the government only mumbles that according to rough estimates there may be a question of "disturbingly high figures."

Why does the government not publish its rough estimates? Why does it not present its views on this serious and imminent problem? Why does it not talk about how the attack against this threatening picture should be launched?

Oh, no, not in an election year.

According to earlier pledges the government was going to economize by 12 billion kronor during the next fiscal year--but not in the sense of saving in relation to reality, but with the intention of recalculating the expenditures compared to the spending requests estimated earlier. But the government is contenting itself with "saving" some 9 billion kronor, indulgently calculated.

As a reason for this sin of omission the government says that the savings should come later--later than September 1982--in view of the depressed state of the market. That argument would have been respectable if it were not for the fact that the savings would then have to run to several times as great amounts.

Relying on an international market upswing in the middle of 1982, the government gives a palpably embellished picture of Sweden's economic prospects. The positive features are built up, the negative ones toned down.

Certainly there are positive features. And certainly the Center government can take credit for some of them. The reduction of the tax differentials [in the graduated income tax] in itself--apart from other components of the package--is a step in the right direction, as is the devaluation.

But for the most part the Center government should neither boast of what has gone right nor blame itself for what has gone wrong. That state spending (apart from the interests on state debts) is beginning to come under control and that the municipal spending requests are slowing down (although not enough) are largely late effects of the earlier non-socialist governments' efforts. And the fact that this still does not suffice is something that the Conservatives do not have to take the blame for because of their responsibility for the decision--and lack of decision--in earlier governments. The roots of this evil go back to Social Democratic postwar policy. All parties can be accused and judged guilty.

But what this particular government must be blamed for is that it cannot even bring itself to take up a discussion of the radical structural intervention that must be made in the public sector before Sweden's economy can achieve balance and growth.

Industry's Burdens

In its financial plan the government is counting on an increase in exports, not only in step with world trade but also by the recapture of market sectors. That is more optimistic than the Industry Association's appraisal of the market.

But even if we believe in the government, it is a question of a modest upswing. It would have taken a greater devaluation to bring about a tangible improvement in the currency situation.

In the financial plan it is stated that profits, in spite of an improvement in 1982, will not go higher than what has constituted a normal year during earlier market cycles. This means among other things, even though the government does not say so, that the profits will not be enough to make up for earlier poor years.

Now against that background, what appraisal does the government make of the situation of industry?

It indicates that it might be appropriate to revalorize the krona upward during 1982, a thing that would worsen Swedish industry's international competitiveness.

In the budget bill the government also urges industry to lower its relative prices.

This is to be appraised against the background that the parties of the center declared earlier that they were planning to place new burdens on industry by financing the reduction in tax differentials by PROMS [a proposed tax on industry production] or higher employers' contribution [to social security].

According to the parties of the center, then, the firms should both have increased burdens placed upon them through revalorization and reduce their relative prices and improve their profit margins.

The government has issued no detailed indications of how these magic arts are to be practiced.

But there is one possible bright spot in the budget bill. There is not a word in it about the tax revision's being financed with PROMS or increased employers' contributions.

Instead it is stated that the reform "should be given a sound financing."

Can this be taken to mean that the government now, responsibly enough, rejects increased burdens on industry in the form of PROMS or higher employers' contributions?

Let us hope so.

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FLEMISH SOCIAL CHRISTIAN VAN ROMPUY ON NEW GOVERNMENT

Brussels KNACK in Dutch 23 Dec 81 pp 40-42

[Report including interview with CVP (Flemish Social Christian Party) Youth Chairman Eric van Rompuy: "Giving Up 3 Percent Is Not a Tragedy; Eric van Rompuy is Happy with the Change."]

[Text] A week ago Sunday Eric van Rompuy was elected chairman of the CVP Youth for a third consecutive term of 2 years. Possibly it was not really the intention for Van Rompuy to run as a candidate for that chairmanship, since it was more in the line of expectation that he would be seated in parliament after 8 November. The unexpectedly big election defeat of the CVP, however, caused a different decision to be made. Eric van Rompuy was fifth on the list for the Chamber in the Brussels-Halle-Vilvoorde district, and normally speaking he should have been elected for that position. But in spite of his 10,500 preference votes, he did not achieve the parliament.

Eric van Rompuy has also occupied a seat in the European Parliament the last few months. At the first direct elections for Strasbourg in the spring of 1979 he received over 60,000 preference votes as the first successor on the CVP list. He succeeded Achiel Smets after the latter's death.

Since Van Rompuy became chairman of the CVP Youth in 1977, he has always been an outsider in Belgian politics. During those years he did not hide the fact that he and his organization were of the opinion that the CVP during that period of coalition with the socialists basically were going in the wrong direction if their intention was to solve the economic crisis. Now he believes that the facts and the Martens-V government program have borne him out.

Van Rompuy: We have always maintained that the CVP had to take a position on the socioeconomic level, although we are thoroughly aware of the fact that this is extremely difficult for a national party which consists of various levels of society. Now I have determined that the party is taking a clear position in the government program of Martens-V with respect to the index, reform of public finances and social security. Take, for example, the coupling of social benefits to the family income. Well, at the congress in Genk the entire party executive spat in my face when I dared propose something like that. It is very satisfying that this government now has included this program point of the CVP Youth in its urgency program.

The regionalization of the large economic sectors is not in the government program, but Martens' attitude during the formation debate and his statement that the government would make its own decisions in socioeconomic questions in spite of pressure groups strengthens my faith that the CVP, for example, will take a tougher course on the communal level also. I am under the impression that this could easily be the last neo-unitarian government. If Gol and Maystadt take the same attitude in this legislature as Spitaels did in the previous one, I think the CVP will be ripe for economic federalism after that. The Flemish interest should be more important for us now than the national interest, even if it is for the self-preservation of the party as such. Analyses have shown that the greatest part of our election loss -- about 40 percent -- went to the People's Union, all people who voted in principle against the CVP because the party had not taken an adequately Flemish position on the steel question. Thus we must either find a reasonable solution for the steel or, in my view, the party will take the big step toward regionalization of the large sectors.

We also asserted at the CVP Youth Congress that the CVP should take a clear stand not only on the socioeconomic level but also on the level of, for example, Foreign Affairs, Defense and Human Rights. In the recent elections we were hampered by the fact that we had never found the proper rebuttal to the attitude of socialists, who had profiled themselves well in certain areas. That affected our image in many catholic circles, and now, with the liberals as a partner, we must be very careful in those areas. That is a discussion which will have to be held in the CVP in the coming years. The CVP Youth also have asked for a renewal of the party, for new ministers. They are there now, and thus we are waiting to see what happens. It is one of our traditions to have new people after such election defeats; in the past Theo Lefevre and Wilfried Martens were thus pushed to the front, and likewise a new figure will have to be appointed to the leadership of the party now.

[Questions:] It remains to be seen whether that nice analysis of the future will stay intact very long. Some newspapers wrote last Wednesday, the morning before the party congress that was to pronounce itself on the government program, that Martens had made a gift of 60 billion francs to the steel industry. That is an especially sensitive question for you.

Van Rompuy: I have not yet had the opportunity to thoroughly study the text of the government program, but people who participated in the negotiations told me that the newspaper story you refer to is not correct. The steel plan would remain as is, taking into account the remarks of the European Community. The question indeed continues to be very important to us, but in this matter I count on Mark Eyskens who now, as minister of Economic Affairs, probably will act more Flemish than his predecessor did and than he was able to do himself as prime minister. Actually, he won't have too much room to maneuver on that level; the problem is too sensitive for that in the party and among the youth.

The steel question in any event goes much deeper. It is a question of the survival of Belgium itself, no more and no less, the question of knowing whether the new Walloon leaders in the government without Spitaels still have enough authority to complete this dossier in a fair manner. That will be one of the most important issues in the coming months.

[Question] It still seems as if the government program you seem to be so satisfied with now originated especially through the influence of liberals.

Van Rompuy: Oh, I don't want to take the credit for this myself, but it would also have been possible to continue to govern together with the socialists. The step to the liberals then was made in any event, and don't forget that the most important points in the government accord actually had been contained in the CVP program for many years already, even though they had never been interpreted so concretely. For many years we and the Youth have been complaining that we were in a coalition in which the party was not able to sell its economic program. A center party should prove itself in the policy, in the daily battle for decisions. A center party can not afford to be vague, since it is responsible for the common interest. The people voted against the biggest party on 8 November, just as the Americans voted against Carter and the French against Giscard. To that extent the CVP now stands at its hour of truth; it must now become very concrete, and it still has to be proven whether it can manage this task. If it turns out not to be capable of it, the country will be politically polarized between the socialists and the liberals, and the center party will disappear.

[Question] The CVP Youth, as you say, have been proven right by the facts. Is such an organization not somewhat of a fool's cap of the party, where a number of standpoints are formulated which get a lot of applause, but which are not given much further attention -- standpoints which are realized only coincidentally under pressure of a coalition, such as the interest for the Flemish problem which came about only under the pressure of the loss to the People's Union?

Van Rompuy: A youth organization must primarily bring forward standpoints, must get a discussion started in the party and must create the climate in which those standpoints can be realized. We don't pretend to think that we can lead the CVP, which plays such a big role in the policy of the country, in a certain direction. We merely pave the way, but it cannot be denied that what we have said the last years has been influential.

[Question] A parallel could be drawn with the ACV [Confederation of Christian Trade Unions] which at the end of November took a number of standpoints of which none are to be discovered in the government accord.

Van Rompuy: You call that a fool's cap; the CVP is a complicated party which has to try to find the biggest common denominator among various interests. Various political systems are possible. In the United Kingdom, for example, either the conservatives or the socialists are in power, and that is clear. The essence of a center party is that it must be capable of finding a consensus between various seemingly contradictory interests. Only it must actually be able to find that consensus, and that was not the case the past few years. Now things seem to be going better, partly because it is now clear to everyone that the economic crisis cannot disappear all by itself. The survival of the party is dependent upon the choices which will be made the coming months.

[Question] But doesn't the making of choices entail the disappearance of the center party, since choices have to be made one way or the other?

Van Rompuy: Not necessarily; if wage curbing is discussed, that does not have to mean a contrast between poor and rich. Formulas can be found for reforming public finances in a socially just manner. A balanced model can be found, as is the case in the FRG, for example. Is Schmidt's Government leftist or rightist? The entire world is governed from the center.

[Question] Why do some people in the ACV want to have their own party then?

[Van Rompuy] Those are 227 in a total of 1,200,000. Anyway, a labor union is not a party. One cannot expect a labor union to reform the index; that is not its task. But a political party must be able to make a choice at a certain moment, and then take the general interest into account rather than the interest of a certain group. Of course it is not the party which has to make all the choices; it is the work of the government which has to pursue a policy. Many of the tensions of the past years were simply a result of the fact that the government refused to make any choices whatsoever and always passed the buck to the party. If I understood Martens correctly the past few days, he said that from now on there will be governing, and that's how it should be. The people must be under the impression that they are being governed, otherwise a crisis of faith will take place. In the period between 1974 and 1977 there was indeed governing, for example, and in spite of the Friday strikes after the Egmont Plan, we won the elections that time.

[Question] Perhaps there will be governing again, but then in a somewhat less democratic manner. The re-evaluation of parliament no longer is in the government accord, and now proxies are being asked.

Van Rompuy: Proxies only refer to certain subjects, in connection with which the parliament thinks it should give its faith to the government. Well, I don't have sympathy for the parliament. Last year parliament went so far in its immobility that it adopted a moderation law in which there was a clause that the law would be abandoned if a social accord came about. Proxies have nothing to do with a decrease of the democratic process; you may be sure that parliament will let the government know if it exceeds its powers.

The entire discussion about proxies is hypocritical. I prefer a government which accepts its responsibility and a parliament which enables the government to do so, rather than a government which hides behind the social debate in order not to have to do anything at all. Thus parliament could have had a lot of say with the socialists the past years, but there simply was nothing on which it could give its opinion; no issues were up for discussion. For that matter, proxies are not anti-democratic procedures, since they emanate from the parliament itself.

[Question] With respect to income moderation, for the time being the only thing that is clear is that the indexed wages will be cut by 3 percent.

Van Rompuy: I assume that a means must be found to subject independents also to a similar decrease in purchasing power. That was emphatically agreed upon in the government accord, and one is even considering the levying of taxes in that respect.

[Question] Which guarantees do you have that the efforts being demanded of the population will yield any results?

Van Rompuy: Whatever happens, things can't go on the way they are now. We are a youth organization and the youth are those who will have to pay the debts in the future. Thus we are in any event the asking party. That decrease in purchasing power which is now being initiated means that there is a chance that new jobs can be created shortly, and that is not without interest for the younger generation. If we have received guarantees for that? They simply don't exist, but new formulas have to be tried. The only guarantee is that if we continue doing as we have been, things can only get worse.

[Question] But all that decrease in purchasing power will benefit only industry almost exclusively. Do you have guarantees that the money will be reinvested?

Van Rompuy: That will be done automatically. The earning power of our industries is /zero/ at present. Thus something has to be done about that, otherwise many more jobs will be lost. The government accord, as it stands now, can arrange for new means for companies, and that can in time lead to a renewal of part of our industrial apparatus. Obviously this is not a matter of a few months; years are needed for that, since it is in the final analysis a matter /pure and simple/ of safeguarding our industry. Anyway, is it so bad to give up 3 percent of purchasing power? That surely is not a tragedy for the average worker and clerk in our country. We have become 25 percent richer since 1974. But it should be fair. Someone who earns more must give up more. As is done in the Netherlands, for example, where the minimum incomes give up 1 percent and the highest incomes 4 to 5 percent.

[Question] On the other hand, it is a fact that now the substitute incomes will also be taxed, while the government accord contains a number of measures which would benefit those who are already wealthy.

Van Rompuy: The distribution of the decrease in purchasing power obviously is an important aspect, but you can stare at that until you get crazy. And, on the other hand, there is the growth-effect. In an economy without growth the income inequality does not decrease; experience has shown that. Professor Tinbergen has proven that he who destroys growth creates more unemployment. Anyway, I fear that the liberals will have an unpleasant awakening when they are confronted with the problems of the policy. It is easy to say that there should be less government, but behind that government there are salaries and wages and social benefits. There is only one way, and that is to pursue a policy aimed at growth. I know it will be painful, and if we can protect the lower incomes we will have done a very good job.

[Question] Finally, something else: at the party congress you said something noteworthy about the missiles.

Van Rompuy: I am of the opinion that, as a consequence of certain statements by President Reagan, a certain anxiety has arisen among the population and that our party has made a bad impression in that respect. We gave the outward impression of being a hawk party, a party without a heart, and that is not the case. We will have to give further thought to this and develop a coherent view. The CVP is a party which wants to defend certain values in society; well, it must also devote attention to those types of problems and it must also once again be more open toward, for example, the problems of welfare work, guest workers, the handicapped, etc. The day-to-day political game has occupied our people too much the past years, to the extent that these topics no longer appeared on the agendas of party executives and party bureaus.

SOCIALISTS' SPITAEELS ON NEW CENTRAL, REGIONAL GOVERNMENTS

Brussels LE SOIR in French 2-4 Jan 82 pp 1, 2

[Commentary by Guy Spitaels, president of the PS [Socialist Party]]

[Text] There was nothing new in the self-serving presentation made by the Flemish before the Council of Ministers. Behind the linguistic parity called for in the Constitution lurks an unwavering resolve to take over the key positions in the economic-financial sector. By contrast, the PSC [Christian Socialist Party] and the PRL [Reform and Liberty Party] were more than happy to go along with the Flemish image Belgium will project to the outside world starting 1 January, when our country assumes the presidency of the European Community.

At the meeting of heads of state and government, we will be represented by a Flemish prime minister.

At the meeting of the council of foreign ministers, our representative will be a Fleming.

When the "eco-fin" ministers--that is, in "Eurocratic" jargon, ministers of economic and financial affairs--meet, Belgium will send two Flemings.

Three-fourths of the budget of the European Community is devoted to agricultural policy: When the ministers for that sector meet, we will naturally entrust the defense of our interests to a Fleming.

And, to complete the picture of a country which, it is said, earns half its livelihood from foreign trade, the head of that department is of course also a Fleming. In short, French-speaking televiewers are going to see the spectacle, during the 6 months of Belgium's presidency of the European Community, of a Belgium which suddenly looks like nothing but a Flemish nation.

Certainly, the PSC, the PRL are a minority within the French community. Even so, no one could have imagined they would make such a show of their servility to the present government.

Meanwhile, the new year is starting off with such an uproar about the paralysis of the Walloon executive. A certain press organ, which devoutly follows rightwing orthodoxy, is harping constantly on the PS's hegemonistic intent to obtain the

presidency of both councils and both executives. What is the real truth about all that?

The logic of the federal system is such that it is not necessary for the majority in a federated state to be the same as the majority in the central government.

Quebec has an assembly and a government that is different from the majority in the Canadian Government. No one gets upset about that....

Bavaria has an executive and a government dominated by the CSU, a political party which is in opposition vis-a-vis the liberal-socialist government of Germany itself. Who gets alarmed about that?*

Nevertheless, in the spirit of showing respect to the other political forces, the socialists in 1981 went along with departing from the letter and spirit of the federal system. For the first 4-year period, proportional representation would be in force. In the executives, the Liberals get three members under this formula while the Christian Socialists get one.

Perfect. But still, one must not try to push one's advantage too far, and the agreements were respected. the presidents of the assemblies, Mrs Petry and Mr Cools, were not elected by socialist votes alone, but also had the help of parliamentarians belonging to RPW [Popular Walloon Rally], FDF [French-Speaking Front], RW [Walloon Rally], PC [Communist Party], and the ecologists. The liberals described these parliamentarians as "stepping-stones" and "makeshift allies," but as we ourselves respect the rights of minorities, we treat them as parliamentary deputies in the fullest sense of the word.

And we do this, not only when they give us their voting support, but also when we contribute to their support in the Senate and when we support their representatives in committee.

In Flanders, the members of the executive and the presidency of the unitary assembly represent 10 seats to be filled. The Flemish socialists and People's Union gained three of them. If they are stirring up a fuss about it, it is not because they object to that percentage--less advantageous than the 4 of 11 seats granted the minority on the FDF side--but because, unlike the PS, which desires to act in concert with others in the distribution of authority in the community, the region, the RTBF [Belgian Radio Broadcasting and Television-French] and SRIW [Walloon Regional Investment Society], those Christian Socialist and Liberal apostles, when they are in the majority in the north, carry out a kind of "putsch" to deprive the minority of any residual power.

In truth, what the right finds so intolerable, more than anything else, is the fact, as we indicated on 8 November in LE SOIR, that both in the French and Walloon communities a progressive, federalist majority emerged.

* Looking at these examples, how the devil does one get the idea that Belgium is the only nation in the world where the parties have regional borders? Mr Levesque's party no more extends beyond Quebec than Mr Strauss's does Bavaria....

Having said that, the PS remains ready to negotiate anything that might create a broad consensus without, however, leading to an extremist interpretation of the spirit of the laws.

So let Mr Gol put all his efforts into the special powers. And let Mr Deprez, president of the PSC, be reassured: We did not desert the national government "with no alternative policy (sic) to propose, either on the economy, the budget or social affairs."

The PS, next March, will hold an economic and social congress on the crisis which, in my view, will be more likely to gain the attention of all progressives than will the new economic rhetoric of Mr Martens, as unintelligible to its author as was the old ...

9516

CSO: 3100/210

ARTICLE TRACES FUNDS FROM USSR TO PEACE ORGANIZATION

Copenhagen BERLINGSKE TIDENDE in Danish 22 Nov 81 pt II p 2

[Text] It is estimated that the Soviets have already invested 80 million kroner in the Western peace movements. In Denmark the money comes, among other sources, from the "Fund of 9 November 1919," the "Cooperative Committee for Peace and Security," and the Plum Fund.

The Soviet communist party has always considered propaganda to be a natural extension of foreign policy, and it utilizes an amount of 15-20 billion rubles a year to this purpose. This huge propaganda apparatus, called the International Information Department, was established in Moscow in 1978, with the former chief of the TASS news bureau, Leonid Zamyatin, as director. Zamyatin's first deputy director is Valentin Falin, former Soviet ambassador to Bonn. The International Information Department works closely with the KGB's Service-A section, which belongs to the first major directorate of the intelligence service. An example of communist-inspired propaganda was the campaign against the neutron bomb that is estimated in NATO circles to have cost the Soviet Union 500 million kroner and was part of a general campaign to prevent a modernization of the NATO forces in Europe, the so-called Theater Nuclear Forces (TNF). Later the campaign was extended to include the new American cruise missile, and in connection with this, one of the Soviet's many existing front organizations, the World Peace Council, was brought in. Today the World Peace Council owns a long list of publications that appear in French, Spanish, and German. The principle goal of this propaganda is to further disarmament in the West, and particularly within NATO. The World Peace Council works globally today and has branches in the form of a series of peace, solidarity, and cooperative committees, among which are the "World Forum of Peace Forces," the "World Committee for Religious Leaders for Lasting Peace," and "Disarmament and Just Relations between People."

In Denmark the best known of these committees is the so-called Cooperative Committee for Peace and Security that at one time was located in the area where the Friendship Union of Denmark and the Soviet Union resides in Reventlow Street.

The suspicion that the European peace movements under communist control are financed by Moscow has always existed. Recently NATO's general secretary, Joseph Luns, declared that Western peace movements received massive economic support from the Soviets and named in this connection an amount of about 80 million kroner that the Soviets had made available.

In comparison with the large European peace and solidarity movements, the Danish campaign movements for peace, security, and disarmament have a modest position, and possible support from outside is therefore correspondingly small. Aside from Soviet-financed advertisements made by Arne Herlov Petersen, who was arrested on suspicion of espionage and released, there is up to now no proof of foreign, that is, Soviet support of Danish peace movements. But the suspicion of such support, not the least based on the number of the movements and the massive input of propaganda here, seen on a European background, has long existed. In this connection, the so-called secret "Fund of 9 November, 1919," has been called suspect because up to now one only knows the name of the foundation's administrator, the lawyer Christian Vilhelm Hagens, strong defender of, among others, Jorg Meyer, and legal counselor of the local East Germany embassy. Wilhelm Hagens claims that he has been purposely misquoted in a report that the "Fund of 9 November" was to be brought into a nonexistent Danish management institute. There was talk that it was a recognized Danish management institute, and the name was not mentioned.

It was the deceased lawyer and member of the Folketing as a Danish Communist Party representative, Robert Mikkelsen, who at his death in 1970 left his fortune to the party, which turned over the money to the "Fund of 9 November 1919," to avoid taxes and inheritance taxes. The fund is also tax exempt, and is therefore not required to send a yearly accounting to the tax department. According to legal experts, it is possible to carry such a fund that is tax exempt and that has no practical use except its existence. But it will be a violation of currency regulations if foreign money is reported to the national bank.

The Cooperative Committee for Peace and Security received in the first quarter of the year 2 amounts for 25,000 and 10,000 kroner respectively from the "Fund of 9 November." The money was sent by the lawyer, Vilhelm Hagens, who has not been asked by Villum Hansen, by the Cooperative Committee's chairman, to report on the origin of the money. According to Villum Hansen, it represents a gift less than a tenth of the Cooperative Committee's yearly turnover. "The fund of 9 November 1919" comes from an inheritance of 3 to 4 years ago, and it pays out its funds twice a year. The lawyer, Hagens, reported that one could not use the interest, but the capital, which does not mean that it is a matter of a large amount. Neither Vilhelm Hagens nor the Chairman of the Danish Communist Party, Jorgen Jensen, wanted to say who besides Vilhelm Hagens administers the fund.

Money from the DKP

The Cooperative Committee, which reaps the benefit of the fund, also receives 12,000 kroner a year from the DKP. This is one krone per member.

Apart from the fund gifts and the DKP's contribution, the cooperative Committee has an unpaid budget of 200,000 kroner a year, which is said to be paid by the sale of stickers, brochures, and in the form of voluntary contributions.

Concerning the latter, Willum Hansen says: "If one agent or another puts 100 kroner into a postal account and writes P. Hansen on it, we obviously cannot know whether it is from the CIA or the KGB, but any organization is like this."

Lowest Risk with Postal Money Order

For a foreign power that wants to support one or the other movement, the above method is undeniably easier, more practical, and least risky. This method has also been practiced in innumerable countries, and in this connection, leftist oriented members of the press have often pointed out this method of financing when there was talk of support for the international Sakharov committee, which does not, in contrast to the "Fund of 9 November," keep its budget a secret.

An Expelled Diplomat

Direct support from the Soviets has been discovered in Norway, where the organization, "Art for Peace," accepted Russian money through the Ladabil Company Koneal Bil, Inc, and where another "peace party" this year took money directly from the Soviet Embassy to pay for a meeting in "Folkets Hus."

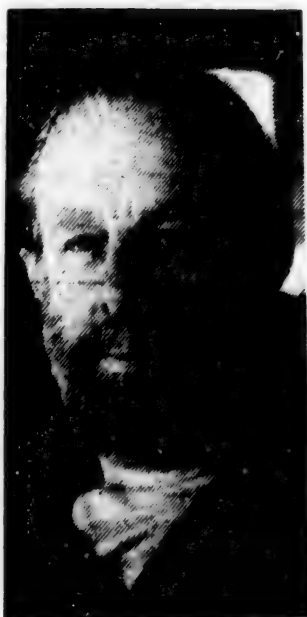
This direct financing method was also attempted a few years ago by the later expelled Soviet deputy secretary, Mihail Makarov, who before an EF vote offered a Danish member of the folketing money to finance an anti-EF leaflet.

It is uncertain how many funds the Danish left front has at its disposal. Besides the "Fund of 9 November," only the Munk Plum fund is known, which was established by the civil engineer, Niels Munk Plum and his wife, Lise Plum, in 1967. According to the conditions of the fund, 100,000 kroner is to be distributed each year in support of cultural, political, and scientific work to be carried out in Denmark on the condition that it is far to the left of the center at all times. When it was established, the director of the fund was Niels Munk Plum, with board members Professor Sven Moller Kristensen, film instructor Henning Carlsen, editors Kate Fleron, Inge Henningsen, section leader Jesper Jensen, the author Erik Knudsen, and the former head of Bopa, Borge Thing. The board is chosen by Niels Munk Plum after consultation with "The Humanistic Union," "Never More War," "Institute for Peace and Conflict Research," and "The Student Union" in Copenhagen and Aarhus. In this connection it is interesting that "Never More War's" national union has left the cooperative committee, as have several other peace organizations.

Documentation for Leftist Sympathies

The so-called peace advertisements on 23 May in LAND OG FOLK and a week later in INFORMATION were partially paid by Arne Herlov Petersen from Langeland, who was suspected of espionage, and by Mrs Lise Plum.

The Plum fund's money is distributed by application each year in May. A series of persons and organizations "to the left of the political center at any time" have during the course of the year benefitted from the distribution. Among these are also peace movements, which thereby stand documented as "to the left of the political center."



Niels Munk Plum



Lise Plum



Chr. Vilhelm Hagens

9124

CSO: 3106/30

DANES ON U.S. BASES HAVE TOO GREAT INFLUENCE, SAYS LABOR CHIEF

Copenhagen BERLINGSKE TIDENDE in Danish 5 Feb 82 pt II p 1

[Article by Chr. Brøndum]

[Text] The Danes may get a decisive influence on Greenland politics if the proposed right of voting is adopted in the spring by the Landsting.

The approximately 1,600 Danes employed on the two U.S. bases in Greenland may, in the course of the coming years, get the decisive influence on the political balance of power in Greenland. The 1,600 Danes are in increasingly sharper opposition to the rest of the population in Greenland. This applies both to politics and within the trade unions. So far, they do not have the vote, but next spring the Greenland Landsting will discuss a proposal from the government party Siumut ["Forward"] which will give them the vote. And, then, the 1,600 votes may become decisive, considering the present distribution of votes in Greenland. For that very reason, there is disagreement within Siumut, where the chairman, Jonathan Motzfeldt, chairman of the home rule government, supports the proposal, while other party members do not want it to be introduced.

Lawsuit on Taxation

The proposal for the vote to Danes originates in the lawsuit between the staff on the U.S. bases and the Greenland home rule government, which is the culmination so far of the hostilities.

Shortly after the introduction of home rule in 1979, the Landsting decided to impose a special tax on the hitherto tax-free staff in the U.S. defense areas at Sdr. Strømfjord and Thule, the first year of 16 percent and the following year of 18 percent, corresponding to the taxes which a wage-earner outside the bases has to pay. The personnel on the bases reacted with a lawsuit in which they claimed that the Landsting had no authority to introduce such a tax, pursuant to the special legislation governing the U.S. bases. In addition, the personnel claimed that a population group which neither economically nor politicall has any connection with the Greenland society, cannot be asked to contribute to it. The bases have thus neither schools, hospitals, social services nor any other public service available to them, but, nevertheless, the individual Dane on the bases thus pays taxes--an average of 20,000 kroner annually per person.

The Greenland high court at Godthåb last summer dealt with the case in its capacity of court of first instance and dismissed the case brought by the Danish personnel on the U.S. bases. It was immediately appealed to the Eastern High Court, where it probably will come up in the fall. The personnel on the bases have all of them so far paid 200 kroner toward the legal costs.

Serious Conflict Between Danish Federation of Trade Unions and SIK [Sulinermik Inutegssargiutigdlit Katubfiat (Greenland Workers' Union)]

The other big conflict between the Danes on the U.S. bases and the Greenland society concerns trade union policy issues --and is a conflict between the Danish Federation of Trade Unions and its Greenland sister organization, SIK.

After many years of good cooperation, the two organizations broke with each other in the summer of 1981 on account of the telegraph operators' conflict. SIK has taken the stand--both toward the telegraph operators belonging to the Danish Federation of Trade Unions and toward the other Danes sent to Greenland--that Danish workers should not be paid more than Greenland workers belonging to SIK. If a special allowance is to be paid to Danes sent to work in Greenland, a severance arrangement must be made according to which the additional earnings will be paid only when the said workers depart from Greenland.

The Danish Federation of Trade Unions has stated that it welcomes equality, as far as wages are concerned, but on the condition that the Greenland workers have their wages raised to the level of Danish wages. A carpenter in Greenland must have the same wages as a carpenter in Denmark, the Danish Federation of Trade Unions claims, and the cooperation between the two organizations is now in such a poor state that it is doubtful whether the Danish Federation of Trade Unions will attend the conference of cooperation to which SIK has invited it in April.

Niels Jensen, joint representative, Sdr. Strømfjord, explains the Danish position as follows: "We have no interest in the Greenland society. We do not want its help, nor its interference. Nor do we want the right to vote, but we have said that if they impose taxes on us, it is normal in a democracy that one also has the vote. After the imposition of the tax, real wages have dropped considerably, and the turnover of labor has increased considerably. This has started creating difficulties at the places of work, and if they do introduce the progressive system of taxation, it will be detrimental to the Danish firms in Greenland, for, in that case, they will not be able to obtain the necessary labor. I, therefore, completely agree with the Danish Federation of Trade Unions that there is no basis for cooperation with SIK."

The personnel on the U.S. bases, moreover, find it entirely unacceptable that the chairman of SIK, Jens Lyberth, has stated that it is SIK's intention gradually to replace the Danes working on the bases by Greenland labor, thereby giving the Greenlanders a preferential position. A law granting a preferential status to Greenlanders outside the U.S. bases has already been passed.

"I do not at all agree to that. For that amounts to national socialism. When they say that Greenland workers must perform that work, it corresponds to people in Denmark saying that the Danes must send the guest workers home. And I am against that. The Greenland labor force must not be thrown into the various work places and thus get ruined. They first have to be trained so that they can take

over those jobs in a natural way. It is deplorable to see a trade union man such as Jens Lyberth sabotage the trade union movement as he is obviously doing. He assumes that if he cannot raise the wages of Greenlanders, he can at least lower the wages of the others."

Niels Jensen does not believe at all that the members of SIK will gradually be able to take over all of the jobs on the U.S. bases. He says that at the base at Sdr. Strømfjord there are at present no more than seven jobs which can be taken over by Greenland labor.

7262
CSO: 3106/61

COALITION'S MODERATE POLAND POLICY SEEN IN JEOPARDY

Hamburg DER SPIEGEL in German 18 Jan 82 pp 25, 27

[Article: "Furnace Out--There Is Increasing Doubt in Bonn as to How Long the Coalition Will Be Able To Persist With Its Poland Policy"]

[Text] Dinner had long since been served at the Paris Elysee on Wednesday of last week during Chancellor Helmut Schmidt's lightning visit when he and French Prime Minister Pierre Mauroy were still pushing statements concerning the crisis in Poland across the table.

The German was so irritated about the distrust of the French in Bonn's steadfastness vis-a-vis Moscow that he insisted on continuing the gathering of evidence about his innocence at table.

Item by item the chancellor and prime minister went over the Bundestag resolution of 18 December and Mauroy's speech in the French National Assembly on 23 December. In the end the guests and hosts agreed that Bonn too had blamed the Soviets for the proclamation of martial law in Poland--only in a lower key than the French. "I consider this clarification important," said President Mitterrand to Schmidt.

Later, when Mitterrand and Schmidt had finished their analyses about the effect of the Polish crisis on East-West policies, the chancellor summed it all up saying, "I have listened attentively, but where is the difference?" and Mitterrand replied: "There is none, nor has there ever been any."

Yet the appeasing words in Paris cannot hide the fact that the stress test between reformers and orthodox communists in Poland has also left traces in German-French relations and particularly in the Western alliance, for at the latest since the special session of NATO foreign ministers on Monday last week in Brussels the switches have been set for decisions which may affect the substance of Bonn foreign policy. The 15 NATO partners had approved a communique showing the hand of a Reagan administration resolved to adopt a demonstratively tough attitude toward Moscow.

The signal from Brussels is that not only the United States, as the leading power, but the entire Western alliance will adopt political and economic sanctions if the Kremlin and the martial-law regime of Gen Wojciech Jaruzelski do not soon indicate a clear readiness to return to normal conditions.

The longer Poles are imprisoned, the longer the dialogue with the church and the trade union is delayed and martial law persists, the more difficult will it be for the Social Democrats and Liberals in Bonn to continue their past course of what Schmidt calls "moderation and reasonable accommodations" without dissociating themselves from other NATO partners.

If the tensions between the Warsaw Pact states and the NATO countries should worsen, the Germans would be affected most, and the past moderate policy vis-a-vis Moscow would be in jeopardy. One advisor of the chancellor is pessimistic concerning what will happen if there are no signs of progress in Poland. He says that "unless something happens in Poland in the next 4 weeks, the furnace will go out here."

The Polish crisis led to rare discipline within the Bonn coalition in the first weeks of the new year. As early as during the Christmas break, Federal Chancellor Schmidt and his deputy, Hans-Dietrich Genscher, but also Schmidt and SPD chief Willy Brandt, maintained close telephone contact.

While in the past few months, in the disputes surrounding counterarming and the NATO two-track decision, the chancellor and the party chairman had often confronted one another, they managed to get together in the Polish crisis and make the critics of the U.S. policy of sanctions toe the line in the party and in parliament.

On Tuesday last week Brandt was greeted with demonstrative applause by the SPD Bundestag deputies when he not only expressed his "appreciation of the federal government" but also pledged his "support of its prudent action." Brandt said that "the unity of the West" was a "great asset" but that the policy of detente must not break up by any means, because "that would be the opposite of aiding the Polish people."

Though Brandt and Schmidt, according to the latter, have "not received any adequate political signals so far" of Poland returning to a policy of reform, the SPD chief is spreading cautious hope. Thus Brandt surprised the SPD Presidium on Monday last week with a letter by Jaruzelski in which the general gives assurances that civil rights will be gradually restored. Jaruzelski told Brandt: "We would like to...adhere to the open nature of our foreign policy of peace, in which the Western partners, including the Federal Republic of Germany, occupy a particularly important place."

In his reply to the Pole on Friday last week, Brandt assured him that, although the SPD and the Bonn government had met "not only with assent" for their Poland policy "at home and among some of our important allies, we are determined to adhere to this position to the extent that objective circumstances will permit.

Doubts in Bonn as to whether the Polish military's declarations of good intentions will in fact be followed by deeds have grown in the meantime. Increasingly somber situation reports which have arrived from the most important sources of information of the federal government, the Polish Catholic Church and the Vatican, have had their effect, and only one-quarter of the Social Democratic deputies were against expressly "welcoming" the communique of the Brussels NATO session in a Bundestag resolution.

As early as Monday noon, Gunscher had reported to the chancellor from Bonn that Bonn would not be in a position to oppose the tough language of the Americans. The head of the Foreign Office was in any case hardly in a position to exercise any influence on the draft of a communique submitted by Haig. Because of snow, he had arrived in Brussels too late, with the Americans, the British and the French already having secured the text in a preliminary talk.

All that the man from Bonn still managed to do was a single change in Haig's statement that the Soviets had reaped unilateral economic advantages as a result of the policy of detente and that the NATO countries would have to try to correct that. As for the SPD Bundestag deputies, Schmidt was able to calm his worried comrades for the time being by stating that Ronald Reagan had promised him not to suspend the Geneva disarmament negotiations, as had been threatened by the Americans in a paper by the secretary of state before Schmidt's visit to Washington.

Besides, the chancellor went on, the NATO communique did not contain any "decisions" concerning sanctions but requested the partners of the United States to "examine" and "think over" the boycott measures. This point was also especially stressed by Brandt, who said: "I recommend that the federal government take this careful examination particularly seriously."

Neither the party chairman nor the chancellor have failed to notice the voices in the SPD warning about opposition against overly pretentious strong-man actions and shooting from the hip on the part of Washington. According to party Deputy Chairman Hans-Juergen Wischniewski, "SPD criticism of the United States is going to increase." This estimate apparently is shared by the Americans. Ronald Reagan has planned to take advantage of the world economic summit in Paris in early spring for a quick visit to Bonn. This stop has been put off sine die. Washington does not want to provoke any anti-American demonstrations.

8790

CSO: 3103/230

ORGANS OF DISPUTING WINGS IN CP INTERPRET PRESIDENT VOTE

Moderates' Organ on Election

Helsinki KANSAN UUTISET in Finnish 21 Jan 82 p 2

[Editorial: "A New Evaluation"]

[Text] Seldom within SKDL [Finnish Peoples Democratic League] circles has such unanimous recognition been given as that which is being received by SKDL Chairman Kalevi Kivisto for his actions in the electoral election struggle. Under difficult conditions he was the only candidate who consistently supported a workers' policy and a policy of peace. It was only because of the conditions that the message was not spread more extensively this time.

On the other hand, the result of the electoral elections is together with the appearance of organizational dissension alarming. The number of SKDL voters was smaller than ever before. Even though the lack of interest on the part of certain voters can be considered temporary, the result and the long-time crisis situation are a matter of serious consideration for the Communist Party and the whole people's democratic movement.

Before the elections a decisive role was predicted for the SKDL. This will indeed occur, however, in a significantly different kind of situation than what was thought before the elections. Because of the changed situation, SKDL presidential candidate Kalevi Kivisto considered it necessary to propose to the electoral faction and to the decisionmaking organs of the SKDL and the SKP [Finnish Communist Party] that the electoral faction consider supporting Koivisto on the first round already. He based his proposal on the points of view of leftwing policy and foreign policy and emphasized that it is important that the new president have the support of the SKDL when he begins his term of office. Without a doubt, Kivisto's proposal was somewhat surprising, but completely logical.

After having discussed Kivisto's proposal the policy-making committee [Politburo] of the Finnish Communist Party yesterday unanimously decided to recommend a unified approach to the SKDL electoral faction in the decisive phase for ensuring the election of Mauno Koivisto.

This stand contains a rather important reevaluation on the part of those who in the last few weeks have conducted a campaign under the slogan "Koivisto under no circumstances". From the very beginning there was no sense to this campaign; its continuation would, of course, be political idiocy.

There is no reason to rejoice as a result of this change of mind. It is a victory for healthy reasoning. SKDL dissension in this important question, which is decisive from the point of view of the country, would have been fateful.

The electoral faction will certainly give serious consideration to Kivisto's proposal and to the recommendations of the decisionmaking organs of the SKDL and the SKP.

A unanimous decision is, however, an indication that this serious defeat can serve as a beginning for a new serious deliberation and new era of practical measures in the Communist Party and the people's democratic movement.

Stalinist Organ: Key Was Personality, Protest

Helsinki TIEDONANTAJA in Finnish 21 Jan 82 p 2

[Editorial: "Policy to be Changed"]

[Text] The result of the presidential elections, the so-called Koivisto phenomenon, is causing a continued debate in the press. The leadership organs of various parties have also discussed this issue.

The election result has been called a victory of the leftwing over the bourgeoisie and a victory of the Social Democrats over the Communists. Even other characterizations have been presented. Among other things, it has been emphasized that it was purely a question of personality or protest elections.

The elections cannot be described as a victory of the leftwing. A victory of the leftwing would mean that the workers' parties would have improved their positions. This did not happen. The Social Democratic Party can consider the election result as a victory, but support for the Communists fell off drastically. The people's democratic movement has lost more than half of its relative support in comparison with the 1960's.

The significant defeat suffered by the Communists is not compensated for by the progress made by the Social Democrats, and thus the election result cannot be considered a victory for the leftwing. Such development which is based on the continued defeat of the Communists cannot be considered as a trend to the left.

However, the electoral elections of the president can indeed be described as a protest election. The turning of this protest to the benefit of Koivisto would only be a peculiarity of these elections. There is great dissatisfaction with government policy and economic policy, but with an enormous amount of drum beating and propaganda "under a spell of freedom" it was possible to turn support to an individual most responsible for a bad economic policy and unemployment. This can happen.

The election result represents a most serious challenge to the Communists and People's Democrats. It requires a decisive improvement in practical actions and practical policy in accordance with the SKP line. Since the negative election result followed a bad policy that was contrary to the party line, policy must be changed.

Moderates' Paper Hails Victory of Left

Helsinki KANSAN UUTISET in Finnish 27 Jan 82 p 2

[Editorial: "Mauno Koivisto Elected President"]

[Text] Mauno Koivisto was elected the 11th President of the Republic in the first vote of the electoral college. He will become this country's most important political leader under favorable conditions. The country's external position is good, the foreign policy line is clear, and internal conditions are stable. Koivisto has the support of both leftwing parties and in addition to this, the sympathy of a rather broad segment of the population is behind him.

During these days of change the grateful thoughts of many citizens have been directed toward Tamminiemi, toward Urho Kekkonen, whose life's work has been the creation of these positive conditions. He specifically has directed the struggle by which the country's foreign policy line was established, frequently in a difficult struggle against reactionary forces. Through immense efforts he won the unshakable support of the people for this line and extensive international recognition.

The creation of a new foreign policy line is not Mauno Koivisto's task. His task is to continue and develop the course that has been taken; this does not at all mean that critical problems will not be encountered in this present situation of international unrest. A certain axiom that the continuation and development of confidential, cooperative relations between Finland and the Soviet Union is an important condition for the security of the country and the people is clearly understood by the new head of state, but there is reason to point this out again. There is reason to reject those -- indeed rare -- Western speculations in which an attempt is made to give Koivisto "more Western" traits than there are in Kekkonen.

As the leader of our country's policy of peace the new president will receive with his work the support of the people's democratic movement. In addition to this, the SKDL as well as the workers' movement, in general, hope that he will make a forceful contribution to the promotion of a social reform policy. Many serious problems today are peculiar to Finnish society. Rather large segments of the population live under difficult conditions. Unemployment is on the increase. The opportunities for people to influence their own affairs are few in many areas and equality is waning. There is plenty of work to be done.

The first president to come from the sphere of leftwing parties will solemnly accept the office of president today. Let this event symbolize a general change in attitude toward the left, democracy, equality, and socialism.

Stalinist Organ "Hopes" Kekkonen Policy Continues

Helsinki TIEDONANTAJA in Finnish 27 Jan 82 p 2

[Editorial: "On the Presidential Solution"]

[Text] Mauno Koivisto's election as president has only aroused nearly similar comments. The attitude has been one of praise and respect on the left and the right.

Apparently, because of this monotony, there is great interest in the attitude of the People's Democrats and Communists who did not vote for Koivisto, but supported Kivisto since he was elected as the movement's presidential candidate -- even if by a vote.

The line of the People's Democrats and Communists supporting Kivisto was consistent to the end. Before Kivisto was elected candidate those who did not consider Kivisto to be the best possible candidate in the people's democratic movement brought up the experiences and examples of various possible candidates with respect to foreign policy.

But when Kivisto was elected the candidate of the people's democratic movement, the propaganda was directed in accordance with the slogan of Kivisto's election alliance and not even a trace of doubt was directed at his person.

Faithful to this line those who considered the available candidates to be better than Kivisto during the selection process were also behind him in the elections. This kind of consistency is only made more conspicuous when those who spoke on behalf of Kivisto and even used Kivisto's name as a weapon suddenly declare to dumbfounded voters that they voted for Koivisto. This was the most striking somersault of these elections.

There is reason to keep this history in mind when awaiting to find out the attitude toward Koivisto, now the country's president, of those voters who supported Kivisto to the very end.

Those members of the electoral college proceed from the fact that Koivisto has himself numerous times emphasized the continuity of the Paasikivi-Kekkonen line. Thus in this respect there is no danger of a new era. This according to Koivisto's own words. In this sense Koivisto's election coincides with that line which determines the attitude Communists should adopt toward the president in accordance with the principles of foreign policy.

But, on the other hand, Mauno Koivisto has also declared a low profile for his foreign policy, which does not coincide with the activism of the Paasikivi-Kekkonen foreign policy line. It is possible that rightwing forces will take advantage of this very circumstance.

Thus the attitude toward Koivisto will be determined by his actions, which each person who voted for the activism and continuity of our country's foreign policy hopes will closely adhere to the path that has been experienced as secure and correct since World War II. We wish Koivisto success in the active continuation of the Paasikivi-Kekkonen line.

Moderates' Paper in Oulu Attacked

Helsinki TIEDONANTAJA in Finnish 29 Jan p 8

[Article: "KANSAN TAHTO Incites FCP Split"]

[Text] Certain people's democratic papers have begun an impassioned writing campaign aimed at openly splitting the SKP and the people's democratic movement.

In the front line is KANSAN TAHTO, which is published in Oulu and which has openly talked about the "inevitability of a split in the SKP" and has demanded a solution with an axe. Similar articles, to which an unhealthy fanaticism is characteristic, have been published in SATAKUNNAN TYO and KANSAN UUTiset, among others.

KANSAN TAHTO's Editor-in-Chief Into Kangas, who writes under the pen name Oskari, wrote on Wednesday: "Voting for Kivisto is nothing more than an arrogant demonstration".

Into Kangas presents a whole group of characterizations concerning the vote for Kalevi Kivisto, the SKDL's candidate. It was, among other things, "good-for-nothing dissension of the Pharisees" and "an extremely ugly act", which will remain as "an indelible mark of disgrace" in the history of Finnish politics.

"Do we place this shame on the head of the whole movement by including the defamers as if nothing has happened?" asks Kangas.

SKP Vice Chairman Taisto Sinisalo's proposal for the unification of the parliamentary faction of the SKDL is subjected to crushing criticism in the same type of writing. Kangas is amazed at how Sinisalo "has the nerve" to make a proposal of unity.

The writings by Kangas impart a thinking that would deny an office to the rightful party: even though Communists and People's Democrats still have the right to nominate their own candidate, the right to vote for their own candidate should be denied.

Juorkunan Jussi or Editor Kerttu Kauniskangas published Oskari's comments equipped with a silencer in Thursday's issue of KANSAN UUTiset.

Jussi knows how to turn a phrase better than Oskari and not as much mud and disgrace is directed at Kivisto. However, the issue is the same. Jussi has received another letter. In it criticism is directed at those 11 people who "wrote Kivisto's name on the ballot contrary to Kivisto's appeal". "The gist was that this was the end of the game for those 11 people," states Juorkunan Jussi.

From Jussi's article many KANSAN UUTiset readers learned for the first time how many votes Kivisto received. It was difficult to find the number of votes for our own candidate in Wednesday's issue of KANSAN UUTiset concerning election news.

SATAKUNNAN TYO, which appears in Pori, published three main articles last Tuesday. In the first article a change in the party's line was demanded. In the second TIEDONANTAJA was criticized in a contrived "Assessment from Moscow". In the third TIEDONANTAJA was the target and those "who believe TIEDONANTAJA's arguments in certain socialist countries".

In addition to cries for "the removal of troublemakers", SATAKUNNAN TYO also demands that the party line be changed: "It is high time to change the course of the party."

According to SATAKUNNAN TYO the SKP leadership disregarded the greetings of the membership, but "plotted to put itself in the leadership".

SATAKUNNAN TYO speculated on Moscow Radio's election news, which a representative of Moscow Radio confirmed as an occupational accident for TIEDONANTAJA. SATAKUNNAN TYO changed Moscow Radio's occupational accident, in which mention was made of "a tilt to the left", into an "Assessment from Moscow". A third sally was no longer needed since it could be made public that TIEDONANTAJA is on a different path than Moscow.

Preparations are being made for the meeting of the Central Committee to be held in the beginning of February with incitements and articles with morbid traits. The intent there will be to begin the purging of members from the Politburo. The next step will be an extraordinary congress, at which the whole Central Committee will be purged.

KANSAN TAHTO, among others, has repeated this line without any circumvention. It has declared "a complete division of the estate" and "a split for making ourselves stronger".

Also SKP First Secretary Arvo Aalto has stated that the time has come for a change of personnel in the SKP. In a statement given to the rightwing HAMEEN SANOMAT First Secretary Aalto states that the chairman, vice chairman, and the whole Politburo will be subject to change.

10576

CSO: 3107/63

MAX JAKOBSON LOOKS AT FOREIGN POLICY CHALLENGES AHEAD

Helsinki SUOMEN KUVALEHTI in Finnish 4 Dec 81 pp 52-53

[Text] SUOMEN KUVALEHTI has invited five experts to write on the challenges facing Finnish foreign policy in the 1980's. Earlier we published the articles by Prof Klaus Tornudd, editor Rafael Paro, bank director Ele Alenius and Prof Jukka Nevakivi. Max Jakobson's article concludes the series.

Finland's next president will follow the Paasikivi-Kekkonen line in his foreign policy--each and every candidate has promised this. It will not be deviated from by an inch, both Ahti Karjalainen and Johannes Virolainen announced in Kuopio.

However, out of all the presidential candidates, only one--Jan-Magnus Jansson--has so far defined the content of the Paasikivi-Kekkonen line; he did this in his speech at the Swedish People's Party conference in Tampere on 14 November. Jansson said that the most important components of this line are cooperation with the Soviet Union on the basis of the YYA [Cooperation, Friendship and Cooperation] Treaty, "cooperation with Sweden and other Nordic countries on the basis of our traditional feelings of affinity, the active neutrality policy and our work to promote peace and detente in Europe and the entire world."

However, Jansson noted that it is not possible to apply our foreign policy line mechanically in changing situations, but that our foreign policy leadership must have "skill and creative imagination."

Until now, it has been easy for our governments, parliament, the political parties and the media to make clear for themselves how the Paasikivi-Kekkonen line should be applied in practice: the line has been where President Urho Kekkonen has drawn it in each situation. I don't remember when a dissenting opinion to Kekkonen's foreign policy activities has been presented, at least from any significant direction by any significant person.

For well over 10 years, the management of foreign policy has been based largely on Kekkonen's personal authority. He has had an open authorization from the political parties to manage the country's foreign policy.

At the same time as the leading parties and politicians have all assured us that they agreed on the foreign policy and gave their unconditional support to President

Kekkonen's work, the foreign policy views expressed on the party levels have displayed noticeable deviations from the official line.

The most extreme example of this is the view taken by the minority faction of the Finnish Communist Party, according to which the YYA Treaty is actually a kind of alliance treaty which nullifies Finland's neutrality policy. In TIEDEMANNTAJA, the words neutrality policy are in fact used only in quotation marks.

The other parties' deviations from the official line have not involved principles but rather have had to do with views expressed on individual international problems. Generally speaking, all the leading parties have from time to time deviated from the neutrality line adopted by the foreign policy leadership in the sense that they have expressed more pro-Soviet views or views that are more critical of Western policies. I don't remember any deviations in the opposite direction, at least during the 1970's.

The parties have thus mostly taken care of their relations with the Soviet Union on the assumption that President Kekkonen is safeguarding the integrity of the Finnish neutrality policy in the West and, if need be, will say "no" to the Soviet Union. He has been so well trusted in the Soviet Union that he has been able to afford this role.

President Kekkonen's successor, whoever he is, will not have this carte blanche in managing foreign policy. No new president can have from the very beginning an unconditional authority in the area of foreign relations. A change in foreign policy is inevitable.

Jan-Magnus Jansson said in his above-quoted speech that the "superior isolation" of the presidential position should be reduced.

"The president must lead foreign policy, but in consensus with the government and the parliament. The independent position of the foreign minister should be strengthened within the framework of directives given by the president."

The new president cannot dictate, like Kekkonen did, where the Paasikivi-Kekkonen line lies in each circumstance and trust that the government and parliament automatically will follow. He must work for broad-based acceptance and support for foreign policy decisions.

As our international neighborhood is changing, there are less and less readymade operational models available. The doctrine or mode of behavior of our neutrality policy stems in great part from the time when two great, internally unified alliances faced each other: we tried on one hand to keep ourselves outside these conflicts, and on the other hand to serve cooperation endeavors between these camps.

We are now living in a structurally different situation. Typical of this is the splintering of power. Alliances are not internally unified as before. The foundation of the military power structures that have long existed in Europe is shaking. One reason for this is the events in Poland, another is the antinuclear protest movements in Western Europe.

Typical of the changes that have occurred in the traditional division of roles is that the bridge-builder between the Soviet Union and the United States is not a neutral state, but West Germany.

At the same time, the battle for influence between the superpowers in the Third World is escalating. In many cases it involves a battle over the rule and utilization of natural resources.

How should we apply the Finnish neutrality policy in the changing situation in Europe? How can we develop Finland's relations with the Third World? And how will we be able to secure our country's economic interests in less stable circumstances?

No camp has readymade answers to these questions. There has hardly been any discussion on them yet. However, we will inevitably have to face them as the next presidential term starts.

The instability of the international situation also forces us to pay more attention than before to the other cornerstone of our security policy, the defense policy.

It has become habitual to emphasize that foreign policy is of foremost significance in safeguarding our security. Of course, all sovereign states emphasize this. But it does not free the political leadership from the responsibility to maintain a believable defense capability.

There can be no uncertainty as to what Kekkonen's line means in this situation. He systematically represented the stand that Finland must be able to defend the inviolability of its territory primarily with its own powers. This stand can be directly derived from the leading theme of Kekkonen's foreign policy thinking, according to which Finland must act so that we will no longer be tossed back and forth as a token in superpower politics but can keep our fate in our own hands. Without a convincing defense capability, this top goal of our foreign policy cannot be attained.

However, the wide consensus on the political level regarding our defense policy has lately begun to crumble, or at least to become less clear. Our defense policy will totter if we cannot strengthen its basis of support.

The successful continuation of the Paasikivi-Kekkonen line in changing circumstances undoubtedly requires skill, ability and wisdom from our foreign policy leadership, but above all it requires that all the leading political parties be ready to cooperate in a constructive spirit toward realizing our security policy. When Kekkonen no longer is safeguarding our national interests through his authoritativeness, playing politics with our foreign policy might have ruinous consequences.

* * *

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press attache in Washington, D.C. In 1958, Jakobson was invited to Helsinki to become the Foreign Ministry's "press chief." A year later, he was named assistant department chief of the ministry's political department, and in 1962 the department chief. In 1965, Jakobson was sent as Finland's ambassador to the United Nations, where he represented Finland for example on the Security Council. He was appointed Finland's ambassador to Sweden in 1972. In 1975, Jakobson gave up the diplomatic service and took up the post of managing director at EVA, which had just been founded. Jakobson has published several books: "England in the Election Mold" (1952), "The Diplomats' Winter War" (1955), "On the Hot Line" (1968), and "The Line Drawn on Water" (1980).

9571

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NATURE OF, CAUSES FOR PCF ELECTION LOSSES EXAMINED

Paris REVUE FRANCAISE DE SCIENCE POLITIQUE in French No5-6, Oct-Dec 81
pp 1015-1037

[Article by Francois Platone and Jean Ranger: "The French Communist Party Defeat in the Spring 1981 Elections"]

[Text] The two general elections of spring 1981 were a major defeat for the PCF [French Communist Party], the most serious perhaps in its electoral history. Of course, in its first years in existence from 1924 to 1932, the PCF had more modest returns; of course too, its parliamentary representation was more dramatically reduced in 1958 and 1962. Yet the 26 April 1981 setback, confirmed in essence on 14 June 1981, fits into an historical pattern whose meaning troubles the communists in two ways.

The first concern is caused by the immediate context; these poor returns were not based on an acute state of crisis in the French political society as in 1958 or 1968. The presidential election occurred at the proper time, after a long campaign when the communists were active and no one truly felt that the choice was dramatic. In some respects, the voter rejection was deliberate, after a debate marked by considerable clarity and serenity. Of course, France has experienced for several years--as most large, industrialized nations--profound economic and social problems which have psychological and moral consequences. However, it is not unreasonable to think that such a crisis, raising doubts about liberal economic mechanisms, could strengthen the PC. This theory is all the more reasonable since the party had increased its membership all during the 70's.

However, the breakup of the Union of the Left in 1977-1978 and the bitter controversies between the socialists and communists certainly changed the political climate and adversely affected the PC. Consequently, recruitment fell off markedly as of 1979 and the militants' enthusiasm dimmed. In the 1979 European elections, the communist percentage of the vote was the smallest since the war (11.9 percent of the registered voters), but this result was ascribed to the small voter turnout and the PC retained its relative influence of 1978 (20.6 percent of the votes cast): it was unable to mobilize its voters but there was no dramatic change. On the other hand, by-elections sometimes revealed a preference for the Socialist Party, especially when

the latter appeared truly to embody the desire for unity always present in the "people of the left." The run-off of a legislative by-election in the second district of Aveyron on 30 November 1980 indicated something serious: despite the explicit instructions by the communist leadership, most PCF voters had voted for the MRG [Left Radicals] candidate. In short, the communist voters showed sporadic signs of lack of discipline, even independence, such as had rarely been seen since the unproductive "class against class" tactic in the late 20's and early 30's. None of these signs indicated the PC electoral collapse, which neither its members, opinion poll specialists, most observers of the communist phenomenon--including if it must be said, the authors of this article--had foreseen.

There is a second characteristic of the 1981 elections which is equally disturbing for the PC: this surprisingly large setback occurred 23 years after the birth of the Fifth Republic which inflicted a blow on the communist electorate from which it has never recovered. Table 1, which indicates the stages of the communist vote in the general elections, discreetly suggests that the three moments of power spanning the 10 election years of the Fourth Republic could well be the exception, albeit brief, in a drab whole. During the Third Republic, the influence and organization of a well-established noncommunist left limited recruitment nationwide. During the Fifth Republic, we again see this phenomenon reoccurring, after the change imposed by Gaullism and the reconstruction of a reformist left which finally accepted the end of radicalism and commitment to social-democracy. In April and June 1981, the Communist Party dropped to the lowest level since the legislative elections of 26 April 1936, in the percentage of voters registered, if not quite in the percentage of votes cast. The loss of one-fourth of its voters is almost identical to the same setback suffered in 1958. Thus, we can expect a repetition of the same historic sequence where the Communist Party, after this serious defeat, would more or less stabilize its influence in the medium term. To go beyond that to predict a new decline would fit in with a tendency to decline, but we cannot say that with assurance now. We can simply try to shed light on the mechanisms of the 1981 drop, make a comparison with the 1958 precedent and possibly draw some conclusions on the future of Communism in French elections.¹

Table 1: Survey of Communist Votes (Metropolitan France)

<u>Elections</u>	<u>Communist Votes *</u>	<u>Percentage Registered</u>	<u>Percentage Cast</u>
1924 Chamber of Deputies	875,812	7.9	9.5
1928 Chamber of Deputies (First round)	1,063,943	9.3	11.4
1932 Chamber of Deputies (First round)	794,883	6.9	8.4
1936 Chamber of Deputies (First round)	1,487,336	12.6	15.4
1945 Constituent Assembly	5,005,336	20.3	26.1

Table 1 (continued)

<u>Election</u>	<u>Communist Votes*</u>	<u>Percentage Registered</u>	<u>Percentage Cast</u>
June 1946 Constituent Assembly	5,119,111	20.7	25.7
November 1946 National Assembly	5,489,288	21.9	28.6
1951 National Assembly	5,056,605	20.6	26.9**
1956 National Assembly	5,514,403	20.6	25.9**
1958 National Assembly (First round)	3,907,763	14.3	19.2
1962 National Assembly (First round)	4,003,553	14.5	21.8
1967 National Assembly (First round)	5,029,808	17.8	22.5
1968 National Assembly (First round)	4,435,357	15.7	20.
1969 Presidential Elections (First round)	4,779,539	16.6	21.5
1973 National Assembly (First round)	5,085,008	17.	21.4
1978 National Assembly (First round)	5,829,943	16.9	20.7
1979 European Community Assembly	4,102,576	11.9	20.6
April 1981 Presidential Elections (First round)	4,413,575	12.4	15.5
June 1981 National Assembly (First round)	4,002,767	11.3	16.1

*Communist votes include votes won by noncommunist candidates supported by the PCF.

**For the legislative elections of 1951 and 1956, the percentage of votes cast has been based on the relationship to the sum of the averages of the ticket.

The reference to the 1958 model is only justified by the equivalent scope of the communist setback. Until last spring's elections, that accident was the model of the PC defeat at the polls where the phenomenon was written so large that we could see the details. In broad terms, the previous setbacks--for example, June 1951 in comparison with November 1946--or later--June 1968 in comparison with March 1967--obeyed the same apparent rules: the Communist Party remained strong in its bastions which usually resisted erosion and lost markedly in areas where it was poorly or moderately established. In all, the divergence between the bastions and the other areas grew during a general decrease and diminished in a period of expansion. This mechanism partially assured the Communist Party, from the time of the Popular Front, of a solid hold unequalled in the French political system, mainly through the control of very limited but almost impregnable local positions. This was confirmed

in March 1959 when the newly elected, moderate Gaullist majority decided to launch an assault on the communist districts, without much success.

In 1981, the interest in verifying this mechanism which protects the communist sanctuaries to some extent is evident. This is all the more so because a very remarkable complementary trait appeared in 1958: the distribution of votes lost by the Communist Party was diversified, between increased abstentions in the legislative elections and a large swing to most other parties, usually because of local political conditions. No doubt, the new conservative government benefited mainly from the weakening of the Communist Party, but the SFIO [French Section of the Workers International (French Socialist Party)], the MRP and even rapidly fading radicalism also picked up votes when they nominated well-established local personalities who had not been overly compromised with the Fourth Republic. Was there relative unity in the behavior of the former communist voters of 1981 or diversity? This is not a purely academic question: it holds an interpretation of the break and concludes the investigation about the kinds and levels of dissidence.

Unexpected Results in an Ordinary Structure

It is not easy to describe the movement of communist votes in the spring of 1981.² There were two distinct elections several weeks apart with very different rates of abstention: with 18.3 percent abstentions in the first round and 13.6 percent in the second, the presidential election ranks high among Fifth Republic elections, with a level of participation close to that of the 1978 legislative elections. On the other hand, with 29.1 percent abstentions on 14 June 1981, the 1981 legislative election joins the small group of poor turnouts, close to the 1962 legislative elections, the second round of the 1969 presidential election, the 1972 referendum and the European elections of 1979 which had a 38.8 percent abstention rate. Likewise, the last four general elections, on which we could base observations because they are sufficiently close to one another and involve an electorate defined by the same rules, present four distinct types if we combine the type of election and the level of participation; on one hand, we have two elections with a single national district but very unequal participation, the European elections of 1979 and the presidential election of 1981; on the other hand, the two legislative elections of 1978 and 1981, held in the same framework of 474 metropolitan districts, had widely varying rates of abstention. One district could have twice the rate of the next.

In the comparison of 1978, 1979 and 1981, it would be risky to make absolute evaluations or consider the communist vote in the whole electorate according to the percentage of voters registered. We would then have to admit, of course, that abstention or voter turnout occurred almost randomly among the various political parties. As far as possible, we will try to prove this theory, at least about the influence of the level of participation on the communist vote.

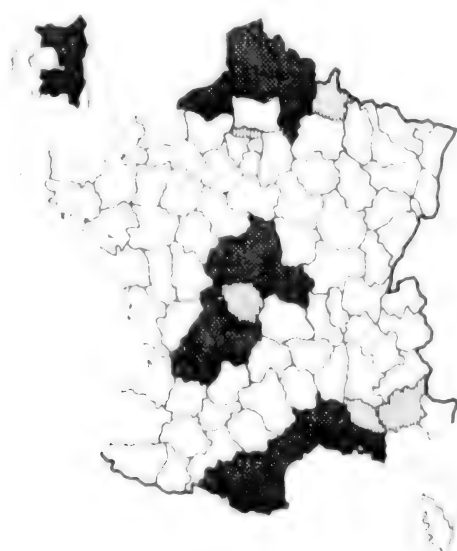
In 1981, despite the brutal drop in numbers, the communist electorate as a whole was not basically affected in its structure. The PC was not affected

any more than in 1958 by swings from areas of strength or weak areas which sometimes characterize electoral changes in other parties. The communist vote of 26 April 1981 and 14 June 1981 is in this respect so similar but on a smaller scale that we can describe it quickly. The geography holds no surprises for those used to reading the communist ballots. Three sectors of relatively high influence: north of the Parisian basin and the Parisian suburbs, the north and west borders of the Massif Central and the Mediterranean Midi. Three large areas of traditionally limited influence: the center of the Ouest, part of Brittany, Alsace and the center of the Est, south of the Massif Central, Haute-Savoie and the Pyrenees-Atlantiques. To sum up these very repetitive observations, we prefer to give, with the help of maps 1 and 2, a composite picture of the last four general elections. Map 1 shows the 19 departments in the last four general elections having the top 25 percent of the distribution of communist votes (the 24 best departmental scores) and the 5 other ones which have been in this category 3 times. Symmetrically, map 2 shows the 17 departments which have always been in the lowest 25 percentile and 7 others there on 3 occasions. We can easily verify the great faithfulness of these structures during the entire electoral history of French Communism since the Liberation.³

This reproduction of communist voting strongholds does not mean that the elections of 26 April and 14 June 1981 can be superimposed exactly: an obvious observation at the individual level where we can see in the territorial statistics a diminished image because of the phenomena of internal compensation. If we consider the results merely by legislative districts, we see the following:

In 123 districts, the communists candidates on 14 June 1981 won more votes than Mr Marchais on 26 April 1981, for a total of 259,052 votes:

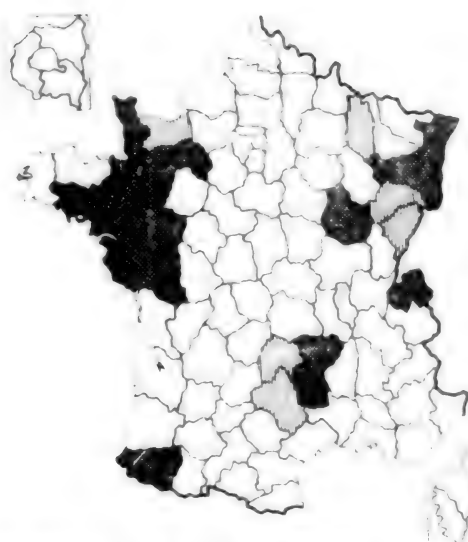
On the other hand, in the other 351 districts, the PCF candidates lost votes in comparison with their leader, for an overall loss of 669,860 votes.



Map 1: Areas of PCF Strength
in the General Elections
from 1978 to 1981

Departments in the top
25 percentile 4 times for
distribution of communist
votes (percentage cast)

Departments in the top
25 percentile 3 times



Map 2: Areas of PCF Weakness
in the General Elections from
1978 to 1981

Departments in the bottom
25 percentile 4 times for
distribution of communist
votes (percentage cast)

Departments in the bottom
25 percentile 3 times

In sum, at most 3,750,000 people voted communist in the two elections, while at least 920,000 voters supported the PC in only one. The variation is sufficiently large that we must determine its nature, after describing the basic change which occurred during the first round of the presidential election.

The 26 April 1981 Elections: A Widespread Trauma

A quick reading of the geography of the communist rout in the first round of the presidential election does not immediately suggest which direction the analysis should take. The territorial breakdown of the changes between 1978 and April 1981; in other words, the difference between the percentage of votes on 26 April 1981 and the same percentage in the preceding legislative elections--reproduces the communist vote structure quite faithfully. Nationwide, the drop was 5.2 percent of the votes cast and most departments with an appreciably larger drop are located in the old communist bastions: the Parisian suburbs (with a record of 10.8 points in Seine-Saint-Denis), "the red countryside" of the Center and the Midi (loss of 12.8 points in Cher, 9.9 points in Pyrenees-Orientales), the industrialized departments of the Parisian basin (Seine-Maritime, Somme, Aisne and Marne). A rapid survey might lead us to conclude that the Communist Party lost mainly and dramatically in the areas of traditional strength. Some departments, however, contradict this observation: the Nord or Herault, for example, where the loss was slightly below the national average (respectively 4.9 and 4.4 points). Moreover, the losses were evidently larger where there was more to lose. This means that, in all, of the 1,400,000 votes lost between March 1978 and April 1981, more than 1 million came from the 206 districts where the PC gained more than 20 percent of the votes in the legislative elections and less than 400,000 votes from the other 268 districts.

To keep in mind the degree of influence at the starting point, the 1978 elections, we can establish the relationship (expressed as 100 in the form of an index) between the 1981 and the 1978 percentages. The geographic breakdown of indexes by departments does not resemble the usual pattern

of the communist vote. Nationally, the index is almost 75, a relative loss of one-fourth of the initial tally. Some bastion departments are clearly among the relatively heavy losers. We find, for example, with indexes below 70 (a loss of three-tenths in comparison with the starting point), Cher, Seine-Maritime, Essone, Pyrenees-Orientales, all departments with a strong communist presence. We also find there Bas-Rhin, Maine et Loire and Haute-Savoie which are not exactly traditional communists strongholds. In short, this geographic survey indicates a certain independence between the numbers of Communist Party voters and the portion of the latter which abandoned it on 26 April 1981.

Table 2 divides the 474 metropolitan districts according to communist voting levels in 1978 and indicates for each class, the average percentages for the two elections which is the source of the index of change from 1978 to 1981.

Table 2: 1978-1981 Communist Vote (Presidential Elections)

<u>Classes</u>	<u>Communist Voting Level in 1978</u>	<u>Number of Districts</u>	<u>1978 PC Votes %</u>	<u>1981 PC Votes %</u>	<u>Index of Change</u>
1	Less than 10 %	64	7.4	5.9	79
2	From 10 to 14.9 %	89	12.8	10.5	82
3	From 15 to 19.9 %	115	17.5	13.9	80
4	From 20 to 29.9 %	130	24.6	17.5	71
5	From 30 to 39.9 %	58	34.6	24.5	71
6	40 % and above	18	46.3	34.3	74
Metropolitan total		474	20.7	15.5	75

These statistics by and large confirm our impression gained from reading the indexes by departments: there is no strong relationship between the initial level of the communist vote and the relative size of the decrease. The districts most affected, since they lost nearly three-tenths of their communist voters had a considerable communist influence (between 20 and 40 percent of the votes cast) but not the most communist influence. Below the 1978 national average, the loss is slightly less, approximately one-fifth. If we must see a relationship, we could suggest that, on the whole, the areas with a weak or moderate communist influence resisted better than the areas with a strong influence. If we form two classes, one on either side of the 20 percent line, we note:

Some 268 districts where the PC won a total of 13.7 percent in 1978 and 11 percent in April 1981, or a rate of change of 80;

Some 206 districts where the PC gained a total of 29.1 percent in 1978 and 20.8 percent in April 1981, for a rate of change of 71.

The difference is considerable but must be interpreted prudently, considering the rather irregular relationship described by Table 2. In any case, it

points out that we can reject the theory that the Communist Party resisted more effectively in its strongholds.

To confirm this observation, we will apply the same grid to the survey of the decline which occurred between the European elections of 1979 and the first round of the presidential election.

Table 3: 1979-1981 Communist Vote (Presidential Elections)

<u>Classes</u>	<u>Communist Voting Level in 1978</u>	<u>Number of Districts</u>	<u>1979 PC Votes %</u>	<u>1981 PC Votes %</u>	<u>Index of Change</u>
1	Less than 10%	64	7.6	5.9	78
2	From 10 to 14.9%	89	13.9	10.5	76
3	From 15 to 19.9%	115	18.4	13.9	76
4	From 20 to 29.9%	130	23.5	17.5	74
5	From 30 to 39.9%	58	32.3	24.5	76
6	40% and above	18	43.7	34.3	78
Metropolitan total		474	20.6	15.5	75

In 1979, the rate of the turnout was very modest but the index of 1979-1981 evolution of the communist vote in comparison with the votes cast was approximately the same as between 1978 and 1981. The index average is 75 and our 6 classes of districts do not fall into order according to PC influence: the distribution is very small and the best results were obtained both in the most hostile districts and the most favorable.

The essential characteristic of 26 April 1981 is that the communist defeat was widespread and very homogenous. The bastions did not resist better than other places and, because of an almost proportional variation, the absolute distance between the highest and lowest scores is considerably reduced. At the departmental level, the communist vote had a range of almost 32 points in 1978 (from 6.1 percent in Mayenne to 38 percent in Seine-Saint-Denis), more than 32 points in 1979 (from 5.4 percent in Bas-Rhin to 37.9 percent in Seine-Saint-Denis) and only 23 points in April 1981 (from 4.5 percent to 27.2 percent in Seine-Saint-Denis.)

Interpretations of the Defeat

Should we see in this overall movement an illustration of the theme of the "useful vote" advanced by the Communist Party leadership after the election? We must examine more closely the three kinds of possible meaning for this instant interpretation.

There is, first, the almost mechanical effect of a presidential election which is so well known that it need not be studied here: the tendency toward nationalization of voters; in other words, a certain uniformity in behavior.⁴

In addition to the high stakes of the election and the centralization of the campaign, the mechanisms for an election by single district show that whatever the local conditions, each vote counts under the same conditions and voters who occasionally cast a tactical vote in the legislative or local elections choose as they wish. This would explain the constriction of the levels of communist influence and the tendency toward a smaller drop in sectors with traditionally poor showings. When Table 2 indicates that, with under 20 percent of the votes cast in 1978, the communist vote gained a bonus (or more exactly, had a smaller negative tally) of 8 to 9 points on the index, then there must be some "hidden" voters in the legislative elections who would reveal their preferences during the presidential election and would mitigate the drop, moreover, according to the national average. The comparison with the 1979 European elections, which had the same partisan structure with four major parties and national candidates, tends to validate this theory: on the ticket headed by Mr Marchais as a candidate, the communist vote declined significantly and almost uniformly, regardless of political areas. In addition, there is no significant difference between the most urbanized area of France and the rest of the country. In the 1979 national total, if we look at 244 urban communes--cities with more than 30,000 inhabitants and departmental seats even if they do not have that many inhabitants--we see the following movements:

In urbanized France, the PC obtained 22 percent of the votes in 1979 and 16.3 percent in April 1981, for an index just above 74;

In the rest of the country, the PC dropped from 19.9 percent to 15.1 percent, for an index below 76.

In short, the existence of a "useful vote," linked somehow to the election technique appears reasonably established. However, it is a statistically small phenomenon which seems to favor the Communist Party rather than work against it: it enables the Communist Party to attract voters ordinarily discouraged by the futility of their choice and thus diminish losses.

A second version of the "useful vote" is harder to fathom since it is based on the circumstances surrounding the election. Indeed, in the weeks before the 26 April 1981 election, the public was flooded with inflated claims due to erratic opinion poll results and the campaign strongly orchestrated by Mr Chirac's entourage which implied that the latter might deprive Mr Mitterand of second place after the first round. The Socialist Party also played upon this argument toward the end of the campaign, mainly to attract potential voters of minor leftist candidates. The Communist Party reacted violently to this rumor and almost believed it was a maneuver by all its adversaries--candidates, parties and the media. Remarks by individuals might imply that this pressure worked but certainly only in extremely small proportions. Normally, it should have failed most where the PC had a favorable environment and could combat it daily. Perhaps in Table 3, we can see a modest effect of this propaganda in the slightly diminished drop of the 18 districts of group 6, true citadels of French Communism. This is

a minor, purely tactical deficit, to be distinguished somewhat artificially from the essential phenomenon--a strategic defeat.

Obviously, the third possible interpretation of the "useful vote" establishes the movements of the communist voters in the two elections of Spring 1981 as a political project more or less clearly carried out by all leftist voters. On 26 April 1981, a large proportion of communist supporters deliberately voted for Mr Mitterand; in other words, preparing for a possible political change in ways which the PCF then rejected totally. After that, the comparison with the 28 September 1958 referendum follows naturally. In both cases, the break was widespread, it was confirmed in the legislative elections held later and contributed to a profound political realignment. The parallel should not be strained since the "yes" vote of 1958 broke totally with the previous orientations of the communist voters, while a vote for Mr Mitterand was part of the policy the PC itself had long favored. The party quickly explained that it was paying for its voters' unitary habits since Mitterand's first candidacy in 1965: a weak excuse which the mediocre results of 14 June 1981 made even less credible.

Between the communist dissidence of September 1958 and that of April 1981, there is all the difference between a very dramatic vote, ratifying a change in government which occurred several months earlier by a political-military show of strength and rational behavior in the context of institutions, a voluntary, positive political act, probably tinged with some hope of gain. Thus, we better understand the uniform drop in communist votes in 1981 while a study of the 1958 referendum reveals imbalances due to the density and duration of the communist presence.⁵ Such an interpretation of the "useful vote" goes well beyond the circumstances of the election and the very character of the presidential election by universal direct vote. It expresses a rejection of the general orientation and behavior of the PC which seemed to realize this in the summer of 1981 when it acknowledged it was somewhat "behind" the movements of the French society since the 50's.⁶

14 June 1981: Ambiguous Stabilization

As for the final tally of communist votes, neither the facts confirm nor do people believe that the results of 14 June 1981 clearly confirm those of 26 April 1981. A decrease of some 400,000 votes is translated, taking into consideration the poorer turnout, into a modest increase of a little more than one-half of a percentage point for votes cast; in other words, a simple stabilization of the low point of the presidential score. Although the national statistics for the legislative elections seem to confirm the presidential election statistics, we know that they resulted from movements in the opposite direction and the increased abstentions evidently played an important part.

First, we must verify that the voters who supported Mr Marchais on 26 April 1981 did not abstain in large numbers on 14 June 1981, which would thus have increased the PC votes that day. Table 4 again takes up the distinction

by levels of communist influence (keeping in mind Mr Marchais' tally) and compares for each the level of participation in the first round of the presidential election and the first round of the legislative elections.

Table 4: 1981 Voter Turnout (Presidential and Legislative Elections, First Rounds)

<u>Classes</u>	<u>Number of Districts</u>	<u>PC Votes</u> <u>1981 Pres.</u> <u>% Cast</u>	<u>1981 Pres.</u> <u>Elections</u> <u>% Cast</u>	<u>1981 Legis.</u> <u>Elections</u> <u>% Regis.</u> <u>Voters</u>	<u>Index</u> <u>of</u> <u>Change</u>
1	64	5.9	82.4	70.7	86
2	89	10.5	81.1	70.9	87
3	115	13.9	81.4	70.7	87
4	130	17.5	81.7	71.2	87
5	58	24.5	82.3	70.6	86
6	18	34.3	82.3	70.1	85
Total	474	15.5	81.7	70.8	87

Nothing indicates that communist voters abstained in larger numbers: neither the turnout rates nor the indexes which sum up the movement differ significantly from one class to the next. Like other political parties, the PC has on occasion given in to the temptation to abstain--caused no doubt by a certain fatigue--and the increased pressure of the Socialist Party after the 10 May 1981 victory. However, the first factor appeared to have no effect while the influence of the second could be limited, even halted, as the PC used its resources.

Let us look at, still using the previous degrees of influence, the movement of the communist vote from 26 April to 14 June 1981. Table 5 reviews the results since 1978 and shows the index of change for the PC from the presidential election to the legislative elections of 1981

Table 5: 1978-1981 Communist Vote (Legislative and Presidential Elections)

<u>Classes</u>	<u>Number of Districts</u>	<u>% of PC</u> <u>Votes</u> <u>1978</u>	<u>% of PC</u> <u>Votes</u> <u>Pres. 1981</u>	<u>% of PC</u> <u>Votes</u> <u>Legis. 1981</u>	<u>Index of</u> <u>Change</u> <u>Legis/Pres 81</u>
1	64	7.4	5.9	4.1	69
2	89	12.8	10.5	7.9	75
3	115	17.5	13.9	11.8	85
4	130	24.6	17.5	19.5	111
5	58	34.6	24.5	31.6	129
6	18	46.3	34.3	45.9	134
Total	474	20.7	15.5	16.1	104

The slight, overall increase--in the percentage of votes cast--is broken down into a regular, almost linear series by the influence of the PC. In the 64 districts of least influence in 1978 where Mr Marchais won under 6 percent of the votes on 26 April 1981, the PC lost more than one-third of its influence in June 1981. On the other hand, in the 18 best districts, its performance improved appreciably in the legislative elections, until it obtained almost the same figures as 1978. In no way affecting this diagram, Table 6 refines it by identifying those districts among the 474 which elected a communist deputy in 1978.

Table 6: Evolution of the Communist Vote (1981 Presidential and Legislative Elections)

<u>Classes</u>	<u>Communists Elected in 1978</u>		<u>Noncommunists Elected in 1978</u>	
	<u>Number of Districts</u>	<u>Rate of Change Legis/Pres.</u>	<u>Number of Districts</u>	<u>Rate of Change Legis/Pres.</u>
1	0		64	69
2	0		89	75
3	0		115	85
4	19	135	111	106
5	49	131	9	111
6	18	134	0	
Total	86	133	388	92

The rates of change in the 5 groups formed from the 388 districts without a communist deputy still are in a hierarchy. On the other hand, the three groups made up of the districts with a PC representative have an almost identical, rather high recovery rate of about one-third. In all, these 86 districts had a communist vote of 35.2 percent in 1978 which declined to 25.1 percent in the presidential election and 33.3 in the legislative elections. On the other hand, the other 388 districts overall experienced a continual decline: 17.2 percent in 1978, 13.1 percent on 26 April 1981 and 12 percent on 14 June 1981.

The question can then be asked: is this uneven resistance to erosion by the social-democrats or a slight sign of recovery, in a political climate changed by the left's accession to power? The distinction may seem academic but we see that we get nowhere if we turn again to the 1958 precedent.

The first round of the legislative elections on 23 November 1958 completely confirmed the 28 September 1958 failure. Voter turnout was markedly weakened and the Communist Party was certainly more affected by this than other parties. On the other hand, because of minor local variations, the swing of former communist voters to the "parties of the yes" did not seem to increase or be canceled out noticeably because of regional differences in the degree of the PC's influence. From the referendum to the elections, the only outstanding

movements affected areas where the "no" vote had been increased on 28 September 1958 by noncommunist voters, mainly radicals in the Midi near Toulouse and some other departments (ure and Vaucluse, for example); communist candidates in November 1958 evidently did not get these votes. In short, the break had occurred in September 1958, according to the history and sociology of the communist vote and the legislative elections faithfully confirmed this divorce. It is difficult to see how those communist voters who had in September 1958 resisted General de Gaulle's personal charisma would vote in large numbers in November 1958 for candidates whom he asked not to use the prestigious name "even as an adjective."

The scene was very different in the spring of 1981. The conditions and meaning of the communist dissidence were not the same. The movement continued in June 1981 because the April 1981 vote enlarged the strategic choice made in the presidential election. The 10 May 1981 success changed a diffuse hope into a perfectly specific objective--put the reform movement in power for a long time. A new segment of the communist electorate then adjusted its vote on 14 June 1981 to this perspective. Beyond the absolute loss suffered by abstentions, the PC was weakened in relative terms, except where it looked sufficiently strong to win for the left and mainly where it already held the parliamentary seat. We might think--if we dare indulge in political fiction--that this mechanism of partial recuperation would not have worked in the same way if Mr Marchais' party had not changed its attitude toward the noncommunist left after 26 April 1981 and especially after 10 May 1981.

In the complex movement of 14 June 1981, we do not believe there were signs of a differentiated resistance to the socialist call. We think it was a case of localized recovery, as far as the Communist Party with its positions of influence, in the context and service of a miraculously restored leftist union because of the presidential victory, was capable.

The Paths of Rejection

This interpretation is worthless unless we prove the theory, implicitly accepted so far, that the socialists picked up the votes lost by the Communist Party. That would be a new, important difference with the 1958 precedent. That year, after nearly 3 communist voters out of 10 broke away during the constituent referendum, the legislative vote of November 1958 was characterized by great uncertainty: "The parties and candidates did not offer the clarity of a constitutional choice nor a new context and programs. Disoriented communist voters abstained in greater numbers than voters of other parties and scattered their votes according to local situations. After the hope of the referendum came the confusion of November."⁷ Behind this behavior in a crisis situation, we saw a largely apolitical, indeed antipolitical phenomenon of rejection. The general tone of the campaign and the voting of spring 1981 was obviously not the same.

We indicated above that there was no perceptible relation between the increased abstentions in the first round of legislative elections and the drop in communist votes. The same thing can be said about the first round of the presidential elections. From 1978 to 26 April 1981, abstentions rose slightly from 16.8 percent to 18.3 percent, but the geographic distribution of the changes in no way resembles the communist electoral structure. The most active areas, those which sometimes show a slight increase in participation, like Creuse and Loire, are indifferently oriented to the right (Deux-Sevres, Orne, Maine-et-Loire, Cantal and Lozere) or the left (Haute-Vienne, Cher, Val-d'Oise, Val-de-Marne). Increases in abstentions seem more closely connected with unfavorable weather conditions rather than a political choice-- these increases are found, in any event, in some moderate departments in Franche-Comte, Ain, Haute-Savoie and Pyrenees-Atlantiques. A breakdown of the turnout according to the levels of communist influence, presented in Table 7, confirms these observations: no drop in turnout, even a slight one, in PC strongholds.

Table 7: 1978-1981 Voter Turnout (Presidential Elections)

<u>Classes</u>	<u>Number of Districts</u>	<u>1978 Voters</u>	<u>1981 Voters Pres. Elections</u>	<u>Rate of Change</u>
1	64	83.5	82.4	99
2	89	82.7	81.1	98
3	115	82.9	81.4	98
4	130	83.5	81.7	98
5	58	83.6	82.3	98
6	18	83.6	82.3	98
Total	474	83.2	81.7	98

In sum, it does not seem that large numbers of dissident communist voters abstained on 26 April 1981 and we can certainly reject the theory of a break if it were not followed by the expression of new party choices.

However, it is not so easy to distinguish new choices among the complex trade-offs which affect all voters. In two main stages, confirmed by second rounds, the socialist electoral bloc gained at the expense of the Communist Party and conservative parties, following an apparently transparent mechanism. In the first round of the presidential election, the outgoing majority did not lose ground: Mr Giscard d'Estaing and the three Gaullist candidates together obtained 48.8 percent of the valid votes, while the center and right had won 48.9 percent in 1978 and 48.1 percent in the 1979 European elections. The increase in the moderate left is due only to the communist drop: Messrs Mitterand and Crepeau gained 28.3 percent of the votes cast, compared with 25 percent in 1978 and 23.7 percent in 1979 for the candidates supported by the Socialist Party and the MRG. On the other hand, in the legislative elections of June 1981, when the PC stabilized its relative influence, the considerable socialist increase (from 28.3 percent to

38 percent) was basically related to the collapse of the right, which barely gained 43 percent of the votes. In fact, the two successive movements which increased the socialist electorate are fairly complex and are partially obscured by movements in the opposite direction, from the moderate left toward the center and the right.

Let us compare, in percentages of votes, Mr Giscard d'Estaing's tally on 26 April 1981 with the rinal vote in 1979 for the ticket headed by Mrs Veil and Mr Servan-Schreiber. We note a slip of a point and one-half (from 29.3 percent to 27.8 percent) for the centralist and liberal parties, but this minimal evolution can be broken down into divergent movements. The outgoing president of the republic lost a great deal in the central regions of the west and the east, south of the Massif Central, as well as in Paris, Yvelines and Hauts-de Seine. He lost voters to Mr Mitterand in the regions leaning to the right, and occasionally made up for these losses by a clear increase from Gaullist voters (in Alsace, for example). Symmetrically, Mr Giscard d'Estaing gained votes north of the Parisin basin, Auvergne, Limousin, Landes, Ariege and Aude; in some old strongholds of democratic socialism, he recaptured voters who in 1979 were still faithful to the traditional leaders on the ticket headed by Mr Mitterand. To these exchanges must be added secondary and local movements favoring Mr Chirac and a certain Gaullist contribution to a socialist candidate, especially in the east.

However, the relationship between the socialist advance and the communist decline is not completely erased by these contradictory transfers. Geographically, the distribution is uneven: although the communist losses bolster the evidence of the socialist success in the Parisian basin, it does not explain that of the west, east, the Pyrenees-Atlantiques and goes well beyond it in Languedoc and the Nord-Pas-de-Calais. Exchanges with the center and the right clearly occurred here. Table 8, which shows the movement of votes to the PS and the MRG from 1978 to 26 April 1981 indicates that the progress of the noncommunist left is clearly related to the level of PC influence; in other words, by the extent of its losses.

Table 8: 1978-1979-1981 (Presidential Election) PS and MRG Vote

<u>Classes</u>	<u>Number of Districts</u>	<u>PS-MRG Votes 1978 %</u>	<u>PS-MRG Votes 1979 %</u>	<u>PS-MRG Votes 1981 %</u>	<u>Index of Change 1981/1978</u>	<u>Index of Change 1981/1979</u>
1	64	21.1	20.9	24.4	116	117
2	89	27.9	25.2	29.5	106	117
3	115	28.1	25.8	30.2	108	117
4	130	24.4	23.8	29.1	119	122
5	58	21.5	21.3	26.5	123	125
6	18	19.	19.	24.4	129	129
Total	474	25.	23.7	28.3	114	120

Despite the anomaly of an exceedingly large gain in the districts most hostile to the left, socialism gained more from communism than from the right. This does not mean that it gained all the votes Mr Marchais lost.

There was very likely a very marginal flight toward the minor candidates of the left or toward the ecology candidate but we cannot predict a special movement. To the extent that the analysis of small numbers has meaning, no relation can be discerned between the influence of these candidates (and, what is more important, the movements of their voters) and the distribution of the communist vote. The same was not true of the right. Here and there, especially in the Parisian suburbs, the communist decline may have helped Mr Giscard d'Estaing. Yet it is very difficult to distinguish in this minority transfer what is a true political movement and what is the result of substantial demographic and social changes, like those which have affected the capital for the past 20 years. As limited as they are, these movements to the right qualify our initial theory somewhat and we cannot consider the communist decline as caused only by the socialist attraction. In spite of everything, this is the outstanding statistical and political fact of 26 April 1981.

This picture is completed by the three elections following the initial break. In the second round of the presidential elections, then the legislative elections, the discipline of faithful communist voters was quite exemplary, despite the shock they absorbed and the bitterness they might have experienced. At most, on 10 May 1981, we can detect signs of a lack of enthusiasm for Mitterand among the diehard militants--the regulars mainly--and at the same time, a slight reserve in some historic citadels where the level of party influence was especially high. These hesitations almost gave way on 21 June 1981 when the returns for socialist candidates--even those who won during the first round over an outgoing communist deputy--were at the same level as during the most harmonious periods of the Union of the Left. Meanwhile, the elections of 14 June 1981 confirmed that the communists dissidents wanted unity. The movement which we noted in the PC electorate appeared, in inverse form, in the socialist progress of the legislative elections. The latter was quite uniform if we refer to the levels of communist influence, but very unequal if we distinguish the 86 districts which had elected a communist in 1978 from the other 388 districts. From 26 April to 14 June 1981, the PS-MRG bloc increased from 26.9 percent to 31.9 percent in the first group, or a 5 point gain and an index of 119; in the second group, the score increased from 28.7 percent to 39.4 percent for a gain of more than 10 points and an index of 137. Between these two rates of expansion and beyond the PS gains over the right in disarray, there is the difference between a very marginal communist gain where the PC could hope to win and the second wave of new votes to assist the new majority effectively.

In the elections of spring 1981, the French Communist Party was less an actor than an object which lost control of events almost completely. The evening of the first round of the presidential election, the failure of Mr Marchais' candidacy imperatively indicated how PC leaders had to behave:

in the second round duel, they would formally support Mr Mitterand without excessive enthusiasm and, if he were defeated, they would not be heartbroken. Indeed, the 10 May 1981 results did not improve matters for the communists because it renewed the electoral confrontation under the worst conditions. Then they had to stick as closely as possible to the new dominant party, play the majority card to the end and table acquired positions, including sometimes more or less obscuring the communist label. Thus, perhaps for the first time in its history and for a short period, the Communist Party was governed by its voters and, a particularly uncomfortable situation, by those voters who left or who could leave it.

Since the signing of the Common Governmental Program, the PC has been concerned about its stagnating voting influence and has constantly sought to solve this problem, using the carrot and stick alternatively. In the last months before the presidential election, it seemed to be engaged in an open quest for votes and made some appeals to "France profonde." This changed nothing on 26 April 1981 when faced with the desire for unity and change in a sizeable proportion of communist voters. The distinction between a penalty vote and a tactical vote does not mean much; each meaning is partially true. The renegade communist voters obviously penalized their party which they thought had compromised the hope of change and they, at the same time, based their hope on another strategy for the left. Tactics, in the proper sense of the word, appeared in the legislative elections: most dissidents did not return but marginal movements of loss and gain expressed a new adjustment to the priority objective of the Union of the Left.

The Communist Party's uncertainty about its own future is obvious and we can read the signs in the awkward succession of interpretations of the defeat: useful vote, erroneous implementation of the Union of the Left since 1965, presidential wrongdoing, historic slowness in the analysis of contemporary French society and later perhaps, personal responsibility of such or such leader....The only question not asked, publicly in any case, is the historic need for a large communist party in a developed, industrialized country in the late 20th century. In sharply reducing the electoral influence of the PC twice in less than 25 years, citizens have helped to make this problem one of the major questions of our political life in the next decade.

FOOTNOTES

1. For an analysis of the 1958 elections, see Francois Goguel, Alain Lancelot and Jean Ranger, "Analysis of the Results," pp 281-391 in ASSOCIATION FRANCAISE DE SCIENCE POLITIQUE, "Le Referendum de septembre et les elections de Novembre 1958" [The Referendum of September and the Elections of November 1958] Paris, Presses de la Fondation Nationale des sciences politiques, 1960, 423pp.
2. This article, which deals exclusively with metropolitan results, was based on the election results available in the summer of 1981, prior

to the publication of official results by districts. The figures given could therefore show some slight differences from the latter.

3. Jean Ranger, "The Evolution of the Communist Vote in France Since 1945," pp 211-253 in Frederic Bon et al, "Le communisme en France." Paris, Presses de la Fondation nationale des sciences politiques, 1969, 336 pp.
4. Jerome Jaffre and Jean Ranger, "Les Structures Electorales de la Gauche," REVUE FRANCAISE DE SCIENCE POLITIQUE, 24 (6), December 1974, pp 1149-1172.
5. Goguel, Lancelot, Ranger, op cit.
6. In particular, this idea was advanced with some ambiguity about the very nature of the delay by the PCF secretary general in his report to the Central Committee on 25-26 June 1981 (reprinted in the special issue "1981 Legislative Elections: Results and Commentaries" of CAHIERS DU COMMUNISME, September 1981, pp 12-32).
7. Goguel, Lancelot, Ranger, op cit., pp 332-333.

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NEUTRALISM, ANTI-AMERICANISM, EUROPE'S FUTURE EXAMINED

Paris LE MONDE in French 16 Jan 82 p 2

[Article by Pierre Emmanuel: "Against the Anti-American Neurosis"]

[Text] In the late forties, neutralism was a way to reject communism without attacking it head on. This neutralism was often coupled with anti-Americanism due to, among other things, the McCarthy paranoia, the stupidity and tenacity of which has not been forgotten by those who were subjected to it. A trace of this anti-Americanism could be found in an article in LE MONDE, in which, in the style of that time, I called President Truman "a suspender salesman."

It was fashionable then to refer to the Americans as "barbarians," and for some Frenchmen this is still true. McCarthyism has been dead for a quarter of a century, but anti-Americanism is still alive and well. I now understand the unconscious reasons for it, those of a complex in the psycho-analytical sense of the word. If this complex were to become a policy component, it could before long open up a gulf between America and Western Europe.

The immediate reason for it would be Poland, which has revealed a new historic fact which Western Europe is not ready to take on. And yet Chancellor Schmidt himself, that "neutralizer," has stated that: the Polish crisis is a crisis of the Soviet system as a whole. Hence, one should expect serious, if unforeseeable events. According to good logic, one should also then prepare oneself for them and, to the extent possible, stave them off. Which would, first of all, call for consultation with the United States, and then the announcement of the stages of a common policy.

However, the very opposite is taking place, first of all because of the Federal Republic of Germany. A good many Germans are beginning to say aloud what their feelings of guilt had caused them to repress: that Poland is a geographic misunderstanding which its neighbors really should get rid of. Even if the chancellor does not go this far, his indifference to the fate of the Polish people accepts this strange "realism." He believes that, because the Soviet system is in a crisis, the aid it needs to maintain itself could be profitably bargained over. Other European leaders think approximately the same thing. As for the pacifists, in the FRG or elsewhere, they will see to it that attention is diverted onto an object that will retain it: this object is anti-Americanism.

For a Common Policy

Nothing is simpler. It is sufficient to exploit the American compromises with the political or military gangsters in Latin America, following a technique of association dear to the French communists. But the United States, like the FRG and France, is a state ruled by law. The gap between them and the communist regimes is one between legality and pure arbitrariness: there is no degree of comparison at all between democracy and the totalitarian system. Hence, the protests against the Latin American dictatorships can and must refer to the principles on which the United States was founded. It is also on the basis of these principles that a common policy toward Poland should be defined, in the face of the growing crisis in the East.

Would the current state of mind lend itself to this? In France, where pacifism remains rather limited, solidarity with Poland has for the moment taken on a great strength: it is, and undoubtedly will remain, a major political question. On the other hand, the United States is the object of a resentment which, if it were allowed to grow, could resemble that of 30 years ago. Psychologically, it is easier to hate the United States than the USSR. In spite of evidence of the inhumanity of the Soviet system, there is a taboo which prevents the complete demystification of the "fatherland of socialism." On the other hand, and by substitution, all the flaws of a society of productivity -- the advantages of which nobody wants to renounce in the least -- are deemed to have as their primary and universal cause, the United States.

If this neurotic rejection were to become more pronounced in Europe, isolationism would prevail in the United States. Or rather, as the United States is a continent, it would look more and more toward the Pacific, where the 21st century is being shaped. Left to itself, Western Europe would no longer be anything but a peninsula. Without political unity, without vision, torn between its divergent interests, it would sooner or later become a capitalist protectorate of the East. Perhaps the Germans are toying with this idea, coupled with that of a reunification of the two Germanies. One can see the advantages which the Soviet Union and the "realistic" business circles across the Rhine would find in this. Only, it would be the end of what has always been called Europe.

The alliance with the United States is necessary for Europe, to ensure its independence and to strengthen its influence on a world destined to great changes. France, which is a demanding partner but the bearer of an idea of the rights of man, could renew the spirit of the alliance and lead the United States, through the persuasion of principles, to alter its attitude toward those regimes which the Americans themselves find odious. The noble words used by President Mitterrand in addressing the diplomatic corps lead one to believe that it would be possible to found a new planetary project on the basis of the integral respect of the rights of man. Even so one would have to impose limits on the intolerable, which is the only way to give the oppressed some hope in the face of the oppressors. This desire also implies a clear statement of the sacrifices which will make it concrete, specifically, but not solely, those which would have an effect on the standard of living of everyone. Sooner or later it will be necessary for a government to order them and for the citizens to accept them. It would be better if this did not occur on the eve of a catastrophe or after a severe moral weakening.

WEST'S POLICIES IN MIDEAST, EAST EUROPE AFFECT PEACE HOPES

Paris LE MONDE in French 16 Jan 82 p 2

[Article by Philippe de Saint-Robert: "The Impossible Peace?"]

[Text] Europe was green; it is overripe. The Polish crisis is not the cause of it; it has acted as an enlightener. History will comment on the cowardice or the complicity of the European governments, on their real or feigned powerlessness to save at least their honor, buried under their inordinate love for peace, peace at any price, especially peace at the price of the freedom of others. What should be stressed is not so much this powerlessness, smugly justified at that, as the logic of this powerlessness. In fact, all we need is Mr Giscard d'Estaing to go settle the Polish problem in Kabul, as he did so well with the Afghan problem in Warsaw. Obviously, the core of the problem does not lie in the fact that this or that European government is leftwing or rightwing, because any partisan or ideological action would be paralyzed by something anyway.

There is a basic incompatibility, as we experienced before in the thirties, between the Western democracies and a command of history. From the moment that we give the name of peace to our own tranquility and that we identify our own freedom only with material progress, we are left with nothing but emotions without strength to oppose to those powers which walk over consciences, and whose only conscience is their own power, where ideology merges into behavior and serves it.

Regis Debray, in his "Critique of Political Reason,"* clearly demonstrates how "ideology buries its philosophical gravediggers one after the other," because, whether it is an illness or a symptom, "the act of believing is universal and necessary, anywhere where there are people together on any piece of land in the world." This is why we remain overwhelmed in the face of error or violence, since they are pushed and supported with such force. But the transcendental religions acclimatized us to the misfortunes of man, they did not claim to organize them: humanity has certainly taken an unprecedented step. On the one hand, we have a system which identifies itself with salvation, while, on the other hand, the merchant cities realize a material progress in which the individual human loses the ultimate meaning of a freedom which, nevertheless, seems to be in overabundance there. Thus, as C.G. Jung so clearly noted in his last book,** our world "is virtually dissociated after the fashion of neurotics, with the iron curtain representing the symbolic separation line."

* Published by Gallimard.

** "Essay on the Exploration of the Subconscience," published by Denoel-Gonthier.

Jung's analysis was very explicit and very topical: "Western man, realizing the aggressive desire for power of the East, finds himself forced to take extraordinary defense measures. But at the same time, he prides himself on his virtue and on his good intentions. What he does not realize is that it is his own vices, which he has hidden under a mask of good manners at the international level, that the communist world is shamelessly and methodically flinging back into his face. What the West has tolerated, but secretly, with a slight feeling of shame (that is to say diplomatic lies, systematic deception, and veiled threats) is being served to him today openly and abundantly, by the East, producing neurotic */pangs/* [printed in italics] in us. It is the grimacing face of his own evil */shadow/* [in italics] which the Western man sees grimacing on the other side of the iron curtain. And this state of affairs explains the strange feeling of powerlessness so many people in Western societies suffer from."

Yalta

Thus, it is not immaterial that over the last nearly 40 years, there has been a continuous correlation between the events in central Europe following Yalta and those in the Near East following the division of Palestine. With the purely apparent difference that we in the West thought we could not make any change in the established facts of Eastern Europe, but that we thought anything would go in the Near East, including a change of the initial division through three successive wars and even taking the risk of introducing the Soviets in areas where they had not been, simply through the game of abandonment and despair in which we plunged the Arab states one after the other. From the crushing of Budapest, coming after the Suez operation, to the annexation of the Golan Heights, coming after the bid for power in Warsaw, through the occupation of Czechoslovakia, coming a few months after the 6 day war and the occupation of Afghanistan, coming even more quickly after the Camp David agreements which tried (but a little late) to exclude the Soviet Union from any settlement in the Near East, there has been a correlation so persevering and so constant that only political blindness or the most elementary bad faith could keep us from seeing, understanding and analyzing it. And this is why our diplomacy, our policy and our morality are silent.

The extent of our complicity in the events in the Near East alone can explain the extent of our powerlessness and the hollowness of our speeches with regard to all the events, or non-events, which have succeeded each other in Eastern Europe since Moscow extended and maintained there the schizophrenic logic of its empire, with a tzarist structure and an ideological super-structure. The truth is that we are equally dumbfounded by the schizophrenia of the gerontocratic Brezhnev as we are dumbfounded and */fascinated/* [in italics] by the paranoia displayed in Tel Aviv, in the name of his country and, as he improperly claims, in the name of the Jewish people as a whole, by that former general of the Irgun who had dared to write and sign a justification for the Deir-Yassin massacre, a terrorist act which founded the state which has so often since then complained of the terrorism practiced by its victims, to which Israel had reduced them.

The sanctions proposed by President Reagan against Moscow would certainly be more effective and more convincing if they were not aimed at America's allies as much as at the antagonistic and conspiring power with which America has been playing since the last war. And if, at the very moment when Washington is euphemistically

expressing its "surprise and displeasure" at the annexation of the Golan Heights, we had not learned this time that by way of sanctions (which suddenly seemed easy to impose) the Pentagon had just proposed to increase the arms credits destined for Israel by \$300 million -- a figure which, according to the American Defense Department, "does not represent a large sum if one considers the size of the military forces Israel must maintain and the inflation the country suffers from." Which is to say that the United States continues to provide the means for what it otherwise pretends to condemn, with a cynicism equalled only by that with which the Russians give the whole world lessons in "non-interference."

Even then nothing has been said yet about the Latin American dictatorships which have been practicing General Jaruzelski's methods for a very long time, to the greater comfort of that other imposture of history which is the "Monroe doctrine." That being the case, why be surprised at the futility of the virtuous complaints raised by the West for its moral happiness alone? It is certainly its /evil shadow/ [in italics] which the other bloc sends back. In Europe, those countries who for 20 years have accused France -- because it wanted to break the logic of the blocs -- of playing "Moscow's game," are the very ones who today are really playing that game by sinking into a puritan and weak "national neutralism."

It is truly a pity that we were not heard. Atlantic Europe is being replaced by neutralist Europe, the eternal toy of a dialectic of which it is the delighted and calm victim. I admire the fact that people want to get out of the Yalta system moving with the "slowness of history": as far as France itself is concerned, it has never supported that system and does not have to pretend to take it into account. Neither does it have to pretend to belong to a Europe which does not exist and which does not want to exist. And it does not have to pretend to maintain an equal balance in the Near East between the aggressors and those who are being attacked, on the grounds that it would give it prestige to talk to people who in any case do not want to listen to anyone. There are moments in history when real diplomacy is the opposite of diplomacy and when, if nobody does anything, a certain language may have the force of actions: even then, to allow this to come out, one should not be tangled up in one's own contradictions.

Apparently, everyone wants peace, but it is the "peace as the world provides it" of which Saint John spoke. A peace based on fictitious balances and conventional fears. Because those balances have held artificially for 30 years, we profess to believe that it will always be so. We have simply forgotten to look at the as yet discreet evidence to the effect that, since the advent of tactical nuclear arms, the whole theory of deterrence with which we have deluded ourselves for more than 20 years has currently become rubbish. A nuclear war has become perfectly possible because it could be contained and localized, and I would like to ask you where? The detonator: the Near East. The battlefield: Europe. I do not need to name the two sanctuaries whose game it is to let the others fight in their place, the supreme merchant City and the supreme ideological City, these two acting negations of the freedom of others. Since Yalta, the slowness of history has played in favor of their preservation alone. But the only certainty in all of this is that which we carry first of all in ourselves, undoubtedly born out of a boredom with living in a world which is too easy but which we seem to believe has to be improved more every day.

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SINGAPORE AID CITES ASEAN CONCERN AT FRANCO-VIETNAMESE TIES

PM041301 Paris LE MONDE in French 26 Jan 82 p 4

[Jacques de Barrin Dispatch: "ASEAN Countries Worried By Consequences of Rapprochement Between France and Vietnam"]

[Text] Singapore--Will the announcement of Vietnamese Foreign Minister Nguyen Co Thach's forthcoming visit to France fix in the minds of the ASEAN members the idea that Paris and Hanoi are, as they fear, busy "normalizing" their relations? They do not seem to be taking offense at this resumption of dialogue per se--a dialogue broken off following the invasion of Kampuchea in January 1979. "There are special relations between those two countries which we understand," Singapore Deputy Prime Minister Rajaratnam admitted. In his opinion, in view of its past history in the region "France can play a constructive role."

Nonetheless the ASEAN members--especially Singapore and Thailand, the toughest ones--are not prepared to admit that Paris is completely innocent. "France should encourage virtue and not vice," Mr Rajaratnam stressed. This clearly means giving a positive reply to the desire for an open approach by the Vietnamese leaders, who are anxious to release themselves somewhat from the Soviet grasp, and not ratifying Hanoi's fait accompli in Kampuchea.

The signing of a financial agreement between Paris and Hanoi last December is not likely to convince the ASEAN countries that virtue will ultimately prevail over vice, even after the reassurance recently given to their representatives in Paris by External Relations Minister Cheysson. "We are not satisfied with the explanations we have been given," Mr Rajaratnam said. "We still think that this resumption of aid damages the cause of a neutral and democratic Kampuchea." In his view that initiative has come at the wrong time, just when Vietnam, in the throes of very serious economic difficulties stemming from its expansionist policy, could be tempted to pull out of the Kampuchean mire.

The ASEAN members fear that the "bad example" of a great power like France might spread. Indeed there are many "free" countries which had cut off ties with Hanoi after the invasion of Kampuchea and which are prepared to rush into the breach opened up by Paris in this way. Japan is one of those countries and has just granted \$136,000-worth of humanitarian aid to Vietnam in the form of drugs, as the EEC recently did. Will they stop at that?

Paris stresses the small amount involved in the financial agreement, which totals Fr200 million. "So what use is it to Hanoi?" retorted the Singapore deputy prime minister. "If you want to break Vietnam's dependence on the Soviet Union, you would have to spend billions of dollars."

Should this decision be seen as the socialist leaders' concern to satisfy their communist partners? "Moscow's influence is very strong within the French government," the Thailand daily THE NATION had no hesitation in saying recently, also condemning France's inability to remove from its mind memories of its former colonial empire.

"The French initiative follows a logic which escapes me," Mr Rajaratnam explained for his part. "In fact it is an emotional gesture." Should it therefore be seen as the reflection of a policy of aid to Third World countries on all sides? According to Bangkok, a great deal can be explained by the fact that [leftwing author] Regis Debray has the president's ear in these affairs, that he is, in a way, his "evil genius."

CSO: 3100/309

MARXIST PARTY ECHOES GOVERNMENT, RIGHT ON POLAND

Marxist Party Organ Comments

Reykjavik THJODVILJINN in Icelandic 16 Dec 81 p 4

[Editorial: "Now They Ask About Life"]

[Text] Polish authorities have now applied brute force against the new labor unions. A state of emergency has been declared in the country and martial law has been imposed. All power is in the hands of a Military Council and all types of human rights have been abolished.

Many leaders of the labor federation Solidarity have been arrested, and the military and the police have taken over the offices of Solidarity in many places of the country.

THJODVILJINN condemns these military measures taken against the people of Poland and states the most severe protests against the oppressive powers that stand behind these measures.

People now ask what will happen in Poland. At this stage, no one can answer that question. Individual groups of Solidarity leaders have called for a general strike and received an uncertain response, as it is not easy to obtain reliable reports since the country has been sealed off and all general telecommunications cut.

When people are facing an armed military authority with all the military power of one of the two superpowers behind it, then there are not many choices to be made by unarmed people. Then comes the question about life.

Are people ready to go unarmed against bayonets and tanks? This is being asked in Poland--and everyone has to answer for himself. If people are not prepared for that, then the only choice is to bow to the suppression and wait. All functioning mass media in the country are in the hands of the Military Council and preach only according to the council's choice. Whoever has called for strikes or other dissent against the Military Council has been threatened with many years imprisonment and many have already been arrested.

Now the organization of the young labor federation will be tested against violence and the takeover by brute force. Does the federation have the strength to

work efficiently underground? Will new men surface to fill the voids made by the leaders that disappear behind the prison walls?

No statement will be made about that here, distant from Poland, but it is obvious that the Military Council that now rules in Poland aims to paralyze the young labor movement and disperse it with military force.

It is said that Lech Walesa, leader of Solidarity, has been attending meetings with leaders of the Military Council during the past days. To be sure, he is held there as a prisoner and they try to force him to speak on behalf of the Military Council. If he refuses, no matter how they try, he will not be given any opportunity to speak with the Polish public.

Another influential individual in Poland, the country's Roman Catholic primate, has, on the other hand, been allowed to appear in the Military Council's mass media, but all he does is to ask people to remain calm in times of oppression. This is what the Military Council likes.

It is the leaders of the Soviet Union who are totally responsible for the deplorable situation that now prevails in Poland. They have forbidden the Polish military leaders, who are in charge in name only, to enter into normal negotiations with the labor unions about economic recovery and development directed towards democracy. It is under the shield of the foreign suppressive power that the Polish military leaders now employ troops and police against the people of their own country. Without Soviet underwriting, the power of the military leaders in Poland would not last one more day. We accuse the government of the Soviet Union.

Although the sympathy of the world is with the Polish people, it does not suffice. Now, when facing the serious facts and when it is a question of life, the Polish people cannot expect any outside help. They can only depend on themselves in important matters.

It is depressing to hear the statements of the U.S. Secretary of State that Polish government leaders have now "convinced the U.S. Government that there will be no return to the former regime in Poland"!

Although the leadership in Washington is normally pleased with the power takeover of governments by the military, they should have had the good taste to keep quiet this time, as they did not have any other words to offer than these.

Althing Unanimous in Condemnation

Reykjavik MORGUNBLADID in Icelandic 17 Dec 81 p 16

[Editorial: "Unanimous Agreement in Althing"]

[Text] The Icelandic Althing has unanimously passed a resolution of sympathy and support to the Polish nation in its fight for human rights. The Althing also unanimously deplores the complete power takeover by the Polish Communist Party and the military. The power takeover and oppression applied by the Polish Communist Party, under the cover of a foreign power, is considered to have put a halt

to any development towards democracy that had begun in Poland, and can lead to bloody conflicts and jeopardize peace in Europe. It is our sincere hope that the Polish people may obtain human rights anew and self-determination regarding their own future--on the basis of open debates and free elections.

Geir Hallgrimsson, chairman of the Committee for Foreign Affairs, which proposed the resolution, was the spokesman for the resolution and talked about the distressing events that had taken place in the Polish nation during the past days; martial law; imprisonment; abolition of human rights and freedom of organizations. He said that the Polish people were fighting for their lives--and that it was the moral duty of every free-born person to give them all the support possible.

It is rare, if not unique, that the Committee for Foreign Affairs proposes a resolution to the Althing regarding affairs of another nation in the manner it has now done--and that the assembly reacts to such a proposal unanimously. This emphasizes the seriousness of the matter. The condemnation expressed by the Althing is unanimous on that type of regime which every freedom-loving person must reject for himself--and others.

Paper Comments on Aid Dilemma

Reykjavik MORGUNBLADID in Icelandic 17 Dec 81 p 16

[Editorial: "Aid to the Polish People"]

[Text] The Polish Communist Party has chained the Polish nation in fetters of military power and party dictatorship. The Marxist economic system and disasters in the Polish national economy have created terrifying economic problems, which manifest themselves in shortages of most necessities, including foodstuffs, medicine and sanitary goods.

At an outdoor meeting held at Laekjartorg last Monday in support of the Polish human rights struggle, a representative from Solidarity, Magdalena Wojcik, described the disaster suffered by the Polish public thus (as regards contents): Most foodstuffs are rationed but ration coupons are of little importance as the stores are empty. People wait in line for hours, even for 24 hours, in the hope of getting food. There is a shortage of coal and coke so most apartments are without heat. Children and old people are worst off, as they are not competitive in the waiting line game. There is a shortage of medicine in the hospitals, as well as shortage of medical supplies and sanitary supplies. Contagious diseases are frequent. Infant mortality is on the rise. This was the description given by the representative of Solidarity of the conditions in Poland.

The social system of socialism and the economic system of Marxism have, wherever these systems have been tried, resulted in unquestionably less production and a poorer standard of living than is the norm in the economic system of the West. The disastrous condition of Polish economic life is, to be sure, one of the poorer examples of the result of the Marxist economic system--but there is an unqualified difference of degree in the economic results of the socialistic countries in East Europe.

We all have, every one of us, the moral duty to support the Polish people in their economic situation. But the support that is given must be arranged so that it will help the Polish people--and does not end up among the rulers of weapons and violence.

People's Alliance MP, Editor Comment

Reykjavik MORGUNBLADID in Icelandic 19 Dec 81 p 7

[Commentary by Staksteinar: "Three People's Alliance Members and Poland"]

[Text] Jon Muli Arnason thinks it is definitely about time to impose martial law in Poland. Arni Bergmann thinks that "the reform development" has been stopped in Poland, as it was in Hungary and Czechoslovakia. Asmundur Stefansson does not think of the words socialism and communism when he talks about Poland.

Marxist Phrasing

It is necessary for those who want to understand the thoughts of the people who believe in the message of Marx and Lenin to apply the working methods of a news analyst. The Marxist choice of words and the method they use to promote their views show how much they lean towards the awesome power of the Kremlin, the keepers of the executive power in the communist world system. As is well known, that system does not honor any limits. In all countries of the world, people can be found who place the interests of the Soviet Union above the interests of their own country.

Those preachers of the world communism who try to cover themselves with the cloak of justice and objective deliberation regarding what is happening in the poverty stricken states of communism, are the most dangerous. In this connection two Icelandic men may be mentioned, Jon Muli Arnason, who always is called to chair the meetings of the People's Alliance when something important is taking place (not, however, outside the Polish Embassy last Sunday). Arnason is also the elected representative from the People's Alliance to the Iceland State Broadcasting Council. The other man is also a member of the mass media, Arni Bergmann, editor of THJODVILJINN.

DAGBLADID and VISIR carried an interview on Tuesday with Arnason in connection with the martial law in Poland. Arnason said: "I hope that these measures are not taken too late in order to make up for the damages done by the abovementioned scum ("fascist riff-raff who have been operating overbearingly in the name of Solidarity," Arnason had said earlier; insert MORGUNBLADID) and that the Polish people will be able to build continuously a more beautiful life under the leadership of the Polish Communist Party. Long life to the party!" No one has to doubt the direction of Arnason's opinion, as outrageous as it is.

But what does Bergmann say? In a news analysis in THJODVILJINN last Tuesday, he traces the events leading to the imposition of martial law in Poland and makes a prediction about the outcome. He thinks that now everything will be done to "buy souls" with food and he adds: "Something similar was done after the reform development was suppressed in Hungary and Czechoslovakia at the time." All general

readers must stop at the words "reform development." What do they mean? They have the stamp of having been coined in the armory of the Marxist propaganda masters. These words imply that within the socialistic regime something can be developed for reform. But do the Polish people not want to reject socialism? Was the revolution in Hungary not against socialism, communism and the Warsaw Treaty Organization? "The Prague Spring," did that not prove that socialism in human form is a dream vision that calls for Soviet tanks?

The words "reform development" came about among those who want to adopt the viewpoints held by Soviet leaders on events that occur in their puppet regimes. Or, as was stated here in MORGUNBLADID last Tuesday when the events leading up to martial law in Poland were being described: "Soviet leaders have time and time again urged Polish communists to stop the 'reform development'."

Marxists' Silence

Bergmann used the words "reform development" without quotation marks and without reservation. He is, therefore, of the opinion that some kind of reform can take place in the social systems within the Eastern bloc. During the earlier part of the year, Bergmann has tried to prove that the "danger of democracy" comes from the right, as usually it was the Rightist groups that were behind the military coup d'etat and power takeover. Maybe the military powers in Poland are the exception that proves the rule in the estimation of Bergmann?

It is noticeable that in a THJODVILJINN editorial last Tuesday about the military takeover in Poland, the words communism and socialism never occur, but the objection that the Polish nation has against the poverty that accompanies socialism is the real reason for all the unrest in Poland. It is the vice-chairman of the People's Alliance, Kjartan Olafsson, who wrote this editorial, but last year, when the workers in the Lenin Shipyard in Gdansk took matters into their own hands, Olafsson considered it a sign of luck that the workplace was named after Lenin and encouraged the Polish workers to seek refuge in the theories of Lenin in their quest for help!

Asmundur Stefansson, chairman of the Icelandic Federation of Labor, accepted a summer vacation invitation issued by the Soviet authorities earlier this year, and stayed at the Black Sea beach place used by the chiefs of the system. He later spoke with colleagues in the Soviet labor movement; and Gudmundur J. Gudmundsson, his party colleague, said in the ALTHYDUBLADID: "Stefansson has promoted increased cooperation with the labor movement in the Soviet Union."

Perhaps it was in order to protect the Soviet connection that Stefansson applied the same method as did the vice-chairman of the People's Alliance, that is to mention neither socialism nor communism when he made a speech at an outdoor meeting of the Icelandic Federation of Labor last Monday?

Althing Aid Bill

Reykjavik MORGUNBLADID in Icelandic 19 Dec 81 p 3

[Article: "Althing: Million Kroner to Poland"]

[Text] A bill has been proposed in the Althing that the Althing grant 1 million kroner as special aid to Poland because of the serious conditions that prevail in the country as a result of the economic crisis there. Kjartan Johannsson, chairman of the Social Democratic Party, proposed the bill and reported that an agreement had been reached on the matter among all the political parties.

Spokesmen for the bill are the chairmen of all the parties, beside Johannsson, Geir Hallgrimsson, chairman of the Independence Party; Steingrimur Hermannsson, chairman of the Progressive Party and Svavar Gestsson, chairman of the People's Alliance.

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CSO: 3111/15

CHRISTIAN PEOPLE'S PARTY CHIEF COMMENTS ON BOURGEOIS UNITY

Oslo DAGBLADET in Norwegian 14 Dec 81 p 2

[Article by Kare Kristiansen, chairman of the Christian People's Party: "Who Destroys Cooperation at the Center?"]

[Text] In a failed attempt to evaluate the principles of and contributions to the debate in a meeting on policies of the center in Liberal House last week, Arne O. Holm of DAGBLADET accuses me of being the one who destroys cooperation among the parties of the center.

Mr Holm paid a brief visit to the meeting room before the meeting began and heard the first remarks by the three introductory speakers. His attempt at an assessment of the principles voiced plainly shows that he did not hear the debate nor the concluding statements. However, a reading of the introductory statements should have shown him that he is completely in error in his attempt at a summation.

Agreement

While all other commentators have agreed that Jakobsen of the Center Party and Kristiansen of the Christian People's Party said much the same thing, Arne Holm, who was not present during the debate, has arrived at the opposite conclusion. Quite simply, both Jakobsen and I strongly emphasized that cooperation at the center has never been so free of trouble as it is now and has been recently--be it noted if the emphasis is placed on the cooperation under way between the Christian People's Party and the Center Party, the two largest center parties. We agreed that this cooperation should continue and we did not exclude the Liberals. This was done by a number of Liberal speakers, however. From that quarter center cooperation was characterized among other things as "pure bluff" and the Liberal leadership was urged to abandon it once and for all.

However, it is correct, as Arne O. Holm writes, That I--and for that matter Jakobsen of the Center Party as well--spoke on the assumption that center politics is part of nonsocialist politics. For my part, I asserted the following in that connection: The election showed that the voters were most concerned with the government question. This will be the case in later elections as well, because the two largest parties are now of approximately the same size and the mass media will constantly dramatize the tug-of-war between them. Therefore, if the center parties wish to become interesting to the voters they must have a clear government alternative. In the present situation no government alternative becomes

credible without one of the two larger parties. This is why I made the statement: The center parties must choose on which side of the dividing line--socialist-nonsocialist--they wish to stand. Here, the two largest center parties have found their way to a common attitude and joint platform.

Unreasonable

What Arne Holm maintains is that the two large center parties, the Christian People's Party and the Center Party, with 26 representatives in the Storting together, should find another basis of cooperation, athwart the socialist-non-socialist dividing line according to the wishes of groups among the Liberals, who today have two representatives in the Storting. In my view this is a completely unreasonable demand which will endanger the fine cooperation now under way between the two former parties.

Conclusion: In my opinion this idea will really be destructive to the center cooperation under way today and will after some time effectively and surely reduce the two largest center parties to the size of the smallest of them today.

11,256

CSO: 3108/39

CONSERVATIVE GOVERNMENT SEEN RETREATING ON SECURITY

Oslo ARBEIDERBLADET in Norwegian 16 Dec 81 p 8

[Article by Pal Nordenborg: "It is the Conservatives Who are Retreating"]

[Text] For a moment it looked as if the Labor Party had gotten out on the wrong side of the bed when the foreign policy debate began in the Storting yesterday. Jo Benkow was the special victim of early morning bad temper.

True, when one is in the mood it is understandable that many react sourly when the Conservatives' spokesmen smilingly conceal their sly attacks aimed at blackening the credibility of social democrats in questions of defense and security.

Polemics that Can Stop

But if the Conservative chairman himself wishes to appear as almost a social democrat in these questions there is hardly reason to see him in the worst possible way. Nor is there reason to believe that he has been converted. He is realistic, however, when he says he feels sure of the Labor Party. Both he and the Willoch government know that they would be unable to engage in any kind of foreign policy in this country without wide support. Moreover, as one of the chief spokesmen of the Labor Party, Guttorm Hansen asserted yesterday with, it is hoped, the necessary vigor, with similar security policy realities one can safely call off the war about who shows the greatest defense will.

The Conservatives Follow

It is more important and interesting that it is the Conservatives who are slipping in security policy. Even though this mostly takes place verbally, the party is abandoning earlier standpoints. In one more important matter the Labor Party is being followed by the Conservatives.

As Einar Forde pointed out: the world and the Conservatives have made progress since Grethe Verno characterized the Labor Party's nuclear-free zone, as she called it, as an example of collective lack of common sense. As is known, she thought at the time that the Labor Party's congress resolution would lead us into a period of Norwegian insecurity policy.

Yesterday, 7 months later, it was important to the foreign minister to at least weaken the impression that the new government is about to bury the idea of

nuclear-free zones in the Nordic area. There is no reason at all to expect pleasant surprises from the Conservatives or the government. But even passive support of the zone need not be seen as contradictory to the Labor Party's struggle to advance the matter.

The Government Has No Choice

The Conservatives and their government really have no choice. Obviously there are enormous distances between the Conservatives and other political groups in this country in views, for example, of the peace movement. The social democrats in Norway and elsewhere in Europe constitute part of the movement. So do a few Conservative voters, though not the prime minister and his cabinet. But as the governing party and as the government the Conservatives have no choice. They can apply the brakes, but they cannot stop the broad opinion favoring relaxation and disarmament.

11,256

CSO: 3108/39

COMMUNIST PARTY ORGAN REPORTS ON CONGRESS

Oslo FRIHETEN in Norwegian 8 Dec 81 pp 5, 13

[Article: "Critical Congress Demanded Organizational Strengthening and Renewal"]

[Text] It was a very critical congress, with the leadership receiving its share of the criticism. But in general the criticism was open, well done, and constructive, and it will carry the party strengthened into a new interval between congresses. The criticism was directed not at party policies but at their implementation, the organizational work.

These were the conclusions drawn by the NKP's [Norwegian Communist Party] present leadership at a press conference following the end of the party congress on Sunday evening.

The result of the congress was an extensive renewal of the national leadership--so extensive that the new board, which met as soon as it had been elected by the congress, decided to postpone the election of a chairman, a vice chairman, and the editor of FRIHETEN until its first regular meeting at the end of January. In the interim the present leadership will continue to function.

This is not common party practice, but in this way it was possible to assess the whole situation in peace and quiet, with no danger of hasty decisions. In conformity to the conclusions of the congress, the question of strengthening the party's central organizational apparatus is now first on the agenda.

Political Unity

The main declaration of the congress, the declaration of political principles, was adopted by an overwhelming majority. The declaration affirms and supports the course taken by the party since the previous congress, the political line, and the decisions the party leadership has taken of both national and international character.

The declaration confirms that the party stands firmly upon the foundation of proletarian internationalism and sticks to its antimonopoly strategy for the struggle here in Norway.

The declaration, presented by Hans I. Kleven, party vice chairman, asserts that the struggle for peace is now the central theme. The two most urgent tasks are the struggle against stationing new nuclear weapons in Europe and for a nuclear-free zone in the north.

It is being demonstrated that the power of the monopolies is growing all over the capitalist world. This increases the need for unity in the struggle for economic control and democracy--against monopoly capital and the forces of the right.

The capitalist system is a system in crisis and dissolution. Only socialism can solve the basic economic, social and political problems.

The party demands unity and awareness in the working class. The working class movement must unite around renewal and expansion of democracy. Technological progress must serve the people, not monopoly capital. It must be guided and controlled by the trade union movement and organs elected by the people and benefit the production that covers the people's needs, among other things by means of public consumption.

In this declaration the NKP asserts that the ideological struggle is an important part of the class struggle, that ideological unity is the party's strength, and that our organizational work and our apparatus must function in conformity to the party's task in the class struggle.

Many Declarations

The congress also adopted a number of other declarations which in part will be published elsewhere in FRIHETEN.

When NKP Chairman Martin Gunnar Knudsen delivered his report after the opening meeting on Friday the congress was closed to the public.

As early as during the debate that followed the chairman's report it became clear that the demand for strengthening and renewing the party organization was a strong one. Friday and the first part of Saturday were taken up by this discussion and by the organizational report presented by former trade union secretary Kolbjorn Harbu, who during the past few months has been acting organization secretary.

On Saturday, Vice Chairman Hans I. Kleven presented the draft declaration of principles, which was adopted after some changes. A number of other proposals were also dealt with. Among other things, it was decided that the NKP will hold a congress in the jubilee year of 1983. That congress will decide whether the party will hold congresses every other year instead of every 3d year, as at present.

The new national board will appoint a committee to review the party by-laws for the purpose of making necessary changes. A proposal by Hordaland for appointment of an agitation committee was referred to the national board, while a proposal by Oslo and Akershus NKP for review and bringing up to date the program of principles was adopted. A committee is to be set up to prepare and agriculture and forestry program.

11,256

CSO: 3108/44

LABOR PARTY CHIEF BRUNDTLAND: A NORDIC 'ZONE' IN FUTURE

Oslo ARBEIDERBLADET in Norwegian 16 Dec 81 p 8

[Article: "Nuclear Weapons-Free Zone has Come to Stay"]

[Text] Gro Harlem Brundtland, chairman of the Labor Party, said that the security policy requires active efforts for relaxation of tensions, arms control, and disarmament. In general, there had been agreement on Norwegian security and foreign policies, but she came back to statements by Conservatives made before the election to the effect that the Labor Party's security policy was not to be depended upon.

Gro Harlem Brundtland thought, however, that Foreign Minister Sverre Strøm had prepared a cautious statement, and that it must be admitted that he did not set the tone in the crusade against the Labor Party, as she expressed it.

She took up the question of nuclear-free zones, saying that the debate cannot be removed from the agenda of Norwegian foreign policy; it has come to stay.

She called for continued contact with the Nordic countries on the matter and a debate in the Storting at a later date. At the same time, a political effort must be made to create approximate equality in conventional forces in Europe.

Relations between Norway and the EC were taken up by several speakers. Gro Harlem Brundtland called for broadening the forms of cooperation because questions of both foreign policy and security policy are given ever wider scope within the EC. Norway cannot stand aside from this, but must actively seek contacts, she said.

Kare Kristiansen also took note of such joint foreign and security policies in the EC and said that these countries' views of important questions differ somewhat from those of the United States. This can cause problems for Norway.

Center Party Chairman Johan J. Jakobsen said that the EC has become a constantly more important center of gravity in international politics and that creates an increased European awareness. This development coincides with changes in course in American foreign policy, something that has put something of a strain upon Atlantic cooperation.

"It is important for Norway to develop good relations with the economic and political center of gravity the EC is, as well," said Jakobsen.

LABOR PARTY DIVIDED ON NATO INF DECISION

Oslo DAGBLADET in Norwegian 17 Dec 81 p 2

[Article by Ragnar Kvam Jr: "Guttorm Hansen Shocks AUF"]

[Text] "It has shocked me that Guttorm Hansen, the Labor Party's chief spokesman on foreign policy matters, completely ignores legally made party decisions," says AUF [Labor Party Youth Organization] chairman Egil Knudsen to DAGBLADET.

Knudsen refers to statements made by Guttorm Hansen during the recent foreign policy debate and to DAGBLADET yesterday concerning NATO's dual decision.

In the Storting the vice chairman of the foreign affairs committee said: "I assume that all representatives who voted affirmative here in the Storting are for the dual resolution, as the Labor Party advocated."

When DAGBLADET asked him to explain his viewpoint he replied: "Nothing is said in the dual resolution about a continued debate if the negotiations under way in Geneva lead to no results. The dual resolution remains."

Egil Knudsen refers to a resolution of 7 December of this year by the Labor Party central board, which states among other things that NATO must, prior to the end of 1983, evaluate the question of new intermediate range weapons in Western Europe in the light of the negotiations.

"This means that the dual resolution is to be reevaluated regardless of what happens in Geneva," says Knudsen. "The Conservatives see it as an automatic thing--no new debate will be raised if the negotiations produce no results. The Labor Party will not go along with this. Guttorm Hansen's personal point of view is of no interest. If he is to make a statement it must conform to the party's resolution," says AUF chairman Egil Knudsen, who does not deny that he is satisfied with the decision of the central board.

1979

The Dual resolution was adopted in Brussels in December 1979. As is known, it calls for placement of intermediate distance missiles in 1983, but attempts at negotiations with the Soviet Union on reductions were first to be made. These negotiations are now going on in Geneva.

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CSO: 3108/39

SIGNS OF EARLY ELECTIONS DEEMED UNMISTAKABLE

Madrid LA CALLE in Spanish 13-19 Jan 82 pp 12-14

[Article by Carlos Elordi: "The Coming Elections"]

[Text] Though overshadowed by the tense atmosphere on the eve of the forthcoming trial of those implicated in the events of 23 February, the general elections are just around the corner. If the outcome of the trial is favorable to the interests of democracy, a date will be set for the holding of those elections.

Devoid of any encouragement by the local UCD [Democratic Center Union] membership, Martin Villa will go to Andalusia to direct the party's campaign in the May autonomous elections. Nowhere have the UCD's electoral defeats been as resounding as in Andalusia. The January 1980 referendum was the beginning of the party crisis: Despite its full backing by the government, the hidden snares in the notice of referendum, and the difficulties imposed by the voters list, the UCD was unable to avoid Article 151. It was about then that the first criticisms of Adolfo Suarez and his innermost circle of advisers, who are considered to have been responsible for the disorder, began to surface. It will be recalled that it was precisely Martin Villa, the UCD's wielder of electoral magic until that occasion, who had been the most outspoken critic of the party leadership.

Today, with the same baggage as always--his experience as minister of interior, his personal ties to various civil governors, his relative mastery of the intricacies of local government, and his absolute lack of qualms--Martin Villa sets out for Andalusia to avoid the inevitable: A loss of votes for the UCD which all the opinion polls and all signs point to as certain.

The exact date of these elections is still in question. It will probably be somewhere within the last week in May and the first week in June. Agreement to set the exact date seems to be dependent upon questions of electoral technique and upon roguish intents among the competing parties. However, and without underestimating the effect the holding of these elections on one day or another could have on their outcome, the political problem of the Andalusian elections totally outweighs this question.

The question revolving around the Andalusian elections is whether they will be the corridor to the expected general elections. The government party sees its majority-controlling minority in Parliament diminishing, in technical as well as political terms. The defection of its rank and file to join the Mixed Group, and also the Democratic Coalition, have cost it its majorities in the congressional committees. The social democratic deputies are practically no longer within its group. Moreover, the UCD has been sidelined from participation in the governance of Euskadi, Catalonia and Galicia, and other parties constitute the majorities in those parliaments. A state of things such as this would have brought about the fall of the government in any other democratic country. Here, the special circumstances and the UCD's obstinacy in continuing to govern alone are perpetuating the precariousness of an unrealistic situation.

What occurred during the debate on the Valencian statute was a serious warning as to what could take place during the next few months if that situation does not change. The UCD, in the opinion of the PSOE [Spanish Socialist Workers Party], has not adhered to the autonomous agreements signed between the two parties last August, and the Valencian statute came out ahead with the opposing vote of the socialists. The sole remaining trace of that "concertion" between the two principal parties, which was suggested by Calvo-Sotelo in the wake of 23 February and which never really existed, has been on the verge of disappearing. If, under the aforementioned circumstances, it too should fall apart, the general elections could take place well ahead of the generally expected time.

It was the socialists, the PSOE leadership, who reacted in the face of that dynamic, which could have been unstoppable. The top governing bodies of the party insisted, in the wake of the Valencian statute scandal, that they continued to support the autonomous pact. Felipe Gonzalez and Calvo-Sotelo will be meeting shortly to try to shore it up. The socialist posture can be explained in terms of internal considerations: The PSOE supports the substance of that pact because it is in its own interest from the standpoint of its struggle with the regional and nationalist parties, because it responds to its national plan, and also perhaps, because it has understood that in the current situation, in the tense climate surrounding the trial of those implicated in the events of 23 February, provoking a rupture of the already shaky status quo could endanger the entire democratic structure.

Preelection Atmosphere

However, it is among the rank and file of the PSOE that one most unmistakably breathes the preelection air. The socialists are the most convinced that, once the trial is over, and the results of the Andalusian elections--in which the UCD can be expected to suffer a new defeat--are in, there will be a dissolution of Parliament. The PSOE believes moreover that it will gain points in the general elections. Various statements by socialist leaders confirm this impression, and the fact that the Economic Office of the party has been charged with concluding within a period of 2 months a complete economic platform is a very significant one in this sense.

Fraga Iribarne and the AP [Popular Alliance] are also convinced of this outcome. Their militants are busily preparing for the Andalusian elections and are counting on heavy financial and political backing for the campaign: Several leaders of the CEOE [Spanish Confederation of Business Organizations] are admitting without trace of shyness that they will again be backing the AP candidates, with money and influence. Fraga appears to have understood that his tricks must also be won by way of the election urns, and he believes he can improve his standing... at the expense of the UCD. In this sense, the Andalusian elections may serve as preparation for the general elections that could be scheduled shortly thereafter.

In this scheme of things, the least active party is the UCD. The remodeling of the party's secretariats does not promise to be a matter of great political sequence. The impression being given is that the government, between visits to the EEC--without encouraging results--and the revival of the Gibraltar issue, seems to be concentrating on the preparation, or perhaps only on the hoped-for outcome, of the trial of those implicated in the events of 23 February.

The trial is undoubtedly an important crossroads for Spanish democracy as a whole, but it can also be an important turning point in the fortunes of the battered UCD. The king's speech on Armed Forces Day was received joyfully by the democratically-minded, because of the firmness of the monarch's words and because of the impression of greater control of the military situation that he conveyed. If that climate persists, the trial will not only serve to bring the entire situation back to normal, with the handing down of appropriate sentences and without destabilizing reactions on the part of sectors of the Armed Forces, but could also be capitalized upon by the UCD as a vehicle for conveying an image of strength and control of the situation that is now lacking. In sum, it could be one of its electoral trumps for overcoming the image that is being conveyed by the opinion polls: The most recently published one, relative to Catalonia, projects a major setback for the UCD in that principality.

Of course, the UCD denies the possibility of early general elections. This has been done in recent weeks by official spokesmen of both the government and the party. Once the trial is over, however, and assuming the result will favor the interests of democracy, things could change substantially. A few months ago it was even being said that the general elections could be scheduled for the same dates as the Andalusian elections, so that the momentum of the national elections could benefit the UCD in the Andalusian ones and to avoid the negative effects its foreseeable Andalusian defeat would have on its chances in the general election.

The UCD's difficult internal situation now seems to have dimmed, although not entirely extinguished, this possibility. The UCD is disarrayed internally, the drawing up of its electoral lists can be the occasion of a new internal confrontation, and the problem of financing its campaign has moreover still not been resolved: As has been repeatedly pointed out heretofore, the UCD is on the verge of bankruptcy and will need many millions to come out of it and face general elections with any degree of credibility. Unfortunately for it, there is no

certainty as to who will finance the operation. The UCD's usual providers of funds are more hesitant about it than ever, and some appear to have already decided to back Fraga Iribarne. It is this aspect more than all the others that could delay the holding of general elections.

The air one breathes behind the closed doors of the parties is unmistakably one of preelection fervor. But outside those doors, the possibility of eventual elections is not being much talked about; an effort is being made to keep their eventuality vague. For, while the king's speech has to some extent tranquilized public opinion, the 23 February trial is casting a heavy pall over all short- and medium-term perspectives. The machinery behind the attempted coup is still in motion and its potential for further actuation has not yet been fully revealed. Thus, preelection activity is being channeled via some rather novel byways: The PSOE is trying hard to mend its autonomous agreement fences with the government at the same time that it prepares its campaign to run against that same government. The UCD is trying to rally funding for the elections at the same time that it denies those elections will be held. Fraga, less burdened by problems of those natures--his chances of entering the government must be calculated in terms of electoral gains and of the eventuality of a pact with the UCD--is playing the elections card more openly. If the outcome of the trial is favorable, however, the situation will change in a matter of days.

9399

CSO: 3110/67

COMMENTARY EQUATES POLISH, TURKISH SITUATIONS

Paris LE MONDE in French 26 Dec 81 p 2

[Text] The trial of 52 Turkish union leaders and activists started on 24 December in Istanbul. At the time of the military coup d'etat, 12 September 1980, the first measures were taken against authentic union workers and organizations, especially the DISK [Confederation of Revolutionary Worker Unions] union confederation: deprivation of the right to strike, repeal of the right to negotiate, closing of unions, arrest of thousands of union activists and leaders. In prison torture was systematically practiced, activists died as "casualties" in police premises. Terror spread.

These events occurred following a series of interventions by all of the systems of the Western bloc: urgent injunctions by the International Monetary Fund, loan conditions and diagnosis by the OECD, obvious practices by NATO. In them the ruling political, economic and military groups of Turkey found support for their projects and justification for their coup d'etat. In this way the multinational companies, predominant or very influential in all sectors of the Turkish economy made sure of the conditions for their safety and their profits.

The legal proceedings must examine an 800-page bill of indictment drawn up against the union leaders. It is a mixture of lies and untruths. The goal is, of course, to cut off the head of a pluralistic and democratic union organization which Turkish workers had been increasingly supporting.

Fifty-two DISK leaders, particularly the entire executive committee elected in the July 1980 congress, run the risk of getting the death penalty; since as far back as June the military prosecutor announced that he was going to demand it for them.

And thus, following the coup d'etat of the military forces of the Atlantic Alliance and NATO, that of the military forces of the Warsaw Pact takes place on 13 December in Poland!

Here again it is a union organization, Solidarity, whose head gets cut off; the chief officials and thousands of activists are arrested, and an attempt to quell the workers' revolt through force is made. Here again, for the past 18 months, there has been no lack of outside pressure from political, economic and military systems, this time from the Eastern bloc.

Everywhere it is the same opposition to a real power within the working class, particularly in the management of the economy and of business firms. Different situations, to be sure, but increasingly similar types of behavior which dictate a certain social order, including authoritatively or through force. Beyond the fiction of ideological trimmings, this logic foists itself even on union interventions. It is significant that the Soviet unions have taken turns with the party in its attacks against Solidarity, while the American unions of the AFL/CIO have developed even further, since September 1980, their cooperation with the official union, TURK-IS [Turkish Confederation of Labor], whose general secretary is a minister of the Turkish military cabinet.

In the dictatorship of Pinochet and the Chilean military, it is already known what has happened to union rights; that is what enable Mr Friedmann's "Chicago boys" to try out prescriptions for the total liberalism which is giving rise to efforts toward widespread circulation through monetarist policies. "Let the market forces have their way." It can be seen what this brings about in the way of unemployment, decreases in income and reconsiderations of social attainments. Here again the thing involved is an attempt to bring the workers' movement to its knees!

So the only ones who are credible in expressing their indignation and solidarity are those who, at the same time, and just as vigorously, demand the freeing of all of the imprisoned union members, the halting of repression and the reestablishing of all union and democratic rights. Both in Turkey and in Poland. Anything else is hypocrisy.

It may be that the business world is the only one that is consistent. If economic and financial interests, the paying back of debts required military intervention in Turkey, it is said in well informed circles that likewise the principal moneylenders of Warsaw, the banking circles, are hoping that the regaining of control by the Polish military could be the beginning of a return to normal. This show of strength could make possible the country's solvency and the competitiveness of its economy. Out of \$27 billion of Polish debts to the West, \$18 billion are owed to private banks! That is what really makes the business world's party, the business firm's party, as it is called by the new chief of the National Council of French Employers (CNPF), likewise opposed to any extension of the rights of wage earners in France.

Then let us act, let us intervene. The rights of Polish or Turkish workers are the same as the rights of all workers. Let us act to free the Pole, Walesa, and the Turk, Basturk, as well as all of their comrades. Otherwise the entire workers' movement will be affected. Turkey, Poland, the same fight!

9498

CSO: 4619/37

DEFENSE MINISTER DEFENDS BILLS IN FOLKETING DEBATE

Copenhagen BERLINGSKE TIDENDE in Danish 3 Feb 82 p 5

[Text] There is a big majority in Folketing behind the new defense arrangement that after the political compromise last August has been formulated in three bills on defense organization, defense personnel and the Home Guard. The Social Democrats, the Conservatives, the Liberals, the Democratic Center and the Christian People's Party are standing by the economic compromise and during the first debate yesterday they received the support of the Progressive Party which pledged active and positive assistance during upcoming committee discussions.

But within the majority there is dissatisfaction with and criticism of various things. Palle Simonsen (Conservative) thought a little more consideration could have been given to ends than to means. It was wrong to hide the fact that the new defense set-up would lead to a decrease in forces. Both he and other spokesmen criticized the fact that under the bills the defense minister would have considerably more authority than in the past. Arne Christiansen (V [Liberal]) said that this was moving from a framework law with fixed strength objectives to an authorization law under which in fact the defense minister can determine the size and composition of the service branches himself. More clarification of the bills was needed.

John Arentoft (FRP [Progressive]) called for amendments concerning among other things a more precise statement on Denmark's affiliation with NATO.

SF [Socialist People's Party], R [Radical Liberals] and VS [Socialist-Left] opposed the defense bills. Gert Petersen (SF) called for arms reduction combined with foreign policy initiatives aimed at removing nuclear weapons from Europe. The policy reflected in the defense system presented was not bold but the result of some kind of law of inertia.

Jens Bilgrav-Nielsen (R) found the result very disappointing and it was obvious that others (in the compromise parties) felt the same way. He found the unanimity of the criticism striking.

Defense Minister Poul Sogaard replied that the expansion of authority should be seen against the background of the desire for a running dialogue between the defense minister and the defense committee in the purely practical areas.

With regard to plans to place heavy NATO equipment in Denmark, Poul Sogaard said that a reinforcement offer had "just come in the door" from NATO's high command. He said he could reveal that it appeared from the offer that there would be no need to stockpile heavy materiel but that the government had not yet reached a decision on this anyway.

Mette Madsen (V) and several others complained about the elimination of the Home Guard's women's corps from the text of the law. The defense minister replied that he had no desire to eliminate the women's corps but that it would be appropriate to make changes in this area without special changes in the law.

6578

CSO: 3106/62

FORMER NAVAL COMMANDER CRITICIZES FORCES REORGANIZATION

Copenhagen BERLINGSKE TIDENDE in Danish 3 Feb 82 p 9

[Article by Rear Admiral Jorgen Petersen]

[Text] Work is being done in the armed forces to reorganize the Defense Command but unfortunately there is not much to indicate any real intention to "take the bull by the horns" and make the sweeping changes I am sure most people in the armed forces want. This is just a question of minor changes that will further reduce the influence and responsibility of the heads of the various branches and further strengthen the position of the Chief of the Defense Staff as the real head of the three branches. In reality the services have already been cut into three parts and now the gaps will be widened even more.

The first part is the chief of the service--who it is now proposed be called service inspector and come under the Chief of the Defense Staff--whose only real opportunity to exert influence is to give advice and who doesn't even command over the other two parts of his own branch.

The second part consists of the operative commands of the services, all of which come under the Defense Command, in other words directly under the Chief of Defense.

The third part is made up of the materiel commands of the services which also come under the Defense Command, e.g. directly under the Chief of Defense.

The Chief of Defense in person can only handle the biggest issues and the same is true to some extent of the Chief of the Defense Staff. Therefore in practice the chiefs of the big three-branch technical staffs will achieve a very strong dominance over the leadership process and they have proved somewhat unwilling to include service chiefs and staffs in this work. This can be partly due to the fact that the service staffs have been amputated so severely that the technical staffs may feel they can make a better assessment of the problems themselves.

It is my understanding that naval officers are concerned about this development and feel that the identity of the Navy is being fragmented even more. The same thing is also undoubtedly true of the other two branches but I will stick to what I know something about, the Navy.

That I am not the only one holding this opinion can be seen from what the Chief of the Navy said in SOVAERNSORIENTERING No 1, 1982, where he wrote this under the heading: "Transition Period 1981-82":

"In my meetings with naval leaders and staff representatives I have heard a strong desire for an organization that could strengthen the feeling that the Navy can be viewed as an entity by the individual, something that to a greater extent than in the past is capable of coordinating, directing and unify its work while at the same time the identity of the service is preserved as a natural element within the framework of the armed forces as a whole."

The new proposal further reduces this possibility.

In a number of conversations with many naval officers I too received the impression that people feel they no longer have control in their own branch and that they lack the unifying factor a service chief--still subordinate to the Chief of Defense but commanding the entire Navy--would represent.

Such an arrangement would have two sizable advantages over the present one. In the first place naval personnel would feel they were being led professionally by people with a thorough knowledge of the conditions, unique quality and possibilities of the Navy.

In the second place naval personnel would feel their fate was in the hands of one of their own and this would undoubtedly strengthen confidence and satisfaction. The latter is important because many feel today that their future opportunities are controlled by people who don't know them very well and the confidence with regard to staff selections and promotions that should be a matter of course is not present today.

Many feel that satisfactory service on the Defense Staff is valued higher than competence and effort in the service of the Navy itself.

Then why don't officers on active service write about this subject? The answer is as simple to give as it is sad to hear. Service chiefs don't do so out of loyalty to the Chief of Defense and the others don't do so because they fear--could they have some justification for this?--that this could affect their future adversely, including their opportunities for promotion.

That is why someone who is retired is bringing this matter to the attention of the public.

6578

CSO: 3106/62

ARMED FORCES CAPABILITIES TO RESIST ATTACK EXAMINED

Army Materiel Budget Hurts Effectiveness

Stockholm DAGENS NYHETER in Swedish 29 Nov 81

[Article by Olle Rossander: "Swedish Soldiers Take Their Bicycles against the Enemy"]

[Text] Our Army Is Among the Biggest--a Strength and a Weakness

The Swedish Army's strength lies in its size. With approximately 700,000 soldiers capable of being mobilized, it is one of the largest in the world. It is greater in numbers than those of England, France and West Germany, for example. Its size is also the army's weakness. Sweden cannot afford to supply the entire army with modern weapons and equipment comparable to what an imaginary enemy's forces have--an enemy such as the Warsaw Pact nations, that is to say.

There still are soldiers in the Army who have weapons from the 1800's.

Nearly a fourth of all our soldiers have weapons--rifles, pistols or submachine guns--which are worse than the weapons our imaginary enemies have.

Many of our field units lack suitable vehicles, and if a war began today they would have to walk or ride bicycles against an enemy riding in bulletproof armored vehicles.

The army, like the entire armed forces, has great shortages. In spite of big defense appropriations, Sweden has great difficulty keeping up with the superpower blocs where the development of technical equipment is concerned.

Military defense is costing a bit more than 17 billion kronor. Not quite 2 billion kronor are left over for civil defense, economic defense and psychological defense.

The money is not enough, and the politicians have a lot of trouble deciding how the appropriations are to be divided up. In connection with the Defense Committee's presentation of its proposal for the future distribution of that money, DAGENS NYHETER is doing a study on what Sweden is getting for those 17 billion kronor which will be presented in a series of articles.

Swedish Soldiers Take Their Bicycles against the Enemy

The army's greatest advantage--its size--is also its greatest weakness, partly because we cannot afford to give the entire army good enough equipment and partly because the politicians have great difficulty making decisions about total mobilization.

A decision to call up such a large part of the population would mean that the vulnerable society of today would collapse in a short time. The decision to mobilize would have to be postponed until the last moment, and then it could be too late.

The more and more rapid technical developments and the more and more expensive military materiel make it hard, and almost impossible, for small states to keep up with superpower developments. At present, no Swedish Army unit can match the superpower forces which can be imagined as coming here as far as weapons and equipment are concerned.

Many members of the Swedish military forces think, or hope, that the shortages will be offset by the Army's size and a Swedish tactic which, among other things, amounts to taking advantage of the fact that the enemy often is dependent upon roads for his heavy vehicles.

On the other hand, decreasing appropriations and the frequently tremendous price rises just where military materiel is concerned mean that the army cannot always afford the equipment considered necessary for the special Swedish tactics. Thus, for example, in the 1960's the army could not afford to buy enough tanks to replace obsolete models.

The number of armored brigades had to be cut down from 6 to 4.

The S tank, which was produced jointly by the army and Bofors, became several hundred million kronor more expensive than had been calculated, and the army could not afford more than 330 tanks.

They also could not afford a modern laser sight which was ready for use. There is no prospect of any new tanks, and now the 340 English-built Centurion tanks from the 1950's have to be freshened up some more, so that they will last until the 1990's.

Like the German Divisions

Critics inside the army maintain that the money shortage means that, in many respects, the best equipped infantry brigades at present are no better than the best German divisions which were used to conquer France in 1940.

The other brigades--about half of them--are worse.

Other members of the military services think that the criticism appears justified in certain respects--with regard to antiaircraft, small arms, transportation, medical service, etc. In other respects--antitank weapons, for example--it is unfair.

The shortage of money has also resulted in fewer and cheaper exercises. That is true of soldiers in basic training and veterans taking refresher training.

Target practice with heavy weapons and missiles only takes place in exceptional cases.

Refresher maneuvers have been discontinued or cut back. Units which are especially expensive to operate are not drilled at all.

Particularly the frequent refresher-training exercises which are regarded as one of the cornerstones of Swedish defense planning were cut back all through the 1970's.

Starting with 1981, the army will again concentrate completely on refresher training, and a rather large maneuver will be held annually, beginning next year.

The money for that purpose will be taken from other areas. Even now, Sweden is having trouble, in peacetime, being able to afford to buy enough expensive artillery ammunition, for example.

More and more, on questions regarding training, organization and purchasing, they are hoping to know what to do and have enough time to do it at the moment when the threat becomes serious. Incidentally, the threat always comes from the east. The only conceivable hostile forces people in military and political circles generally mean--but never talk about--are those of the Warsaw Pact.

Most experts seem to be in agreement that the biggest shortages and requirements in the army at present are concerned with:

- Antiaircraft
- Medical services
- Combat in the dark
- Transportation

In spite of the fact that Sweden now extremely rarely can expect its own fighter aircraft to keep the air free from enemy aircraft, an effective antiaircraft organization is lacking in many places.

An Antiaircraft Organization with Deficiencies

Just now, indeed, 4,500 new missiles from Bofors--the 70 missile, which is believed to be excellent in its way--are being purchased, but it can only be used when the visibility is good and at ranges of up to between 3,000 and 5,000 meters.

Most of the army lacks an effective all-weather antiaircraft capability. Half of the M 48 Bofors 40-mm antiaircraft guns have been scrapped and the others have received barely adequate modernization of their radar fire control systems.

However, they are only usable in more or less stationary positions, their range is only approximately 3,000 meters and they can only fire at aircraft flying at subsonic speeds. The only all-weather and high-altitude antiaircraft unit in existence today is a modernized Hawk missile battalion in Skane. No all-weather antiaircraft equipment which is well protected, easy to move and able to follow the tanks, which are vulnerable to attacks from the air, exists or is planned. Such systems exist, but the army has not been able to afford them.

The lack of antiaircraft equipment is regarded as especially serious since the Viggen project became so expensive that the number of aircraft was cut in half. The armed forces were unable to afford an effective advance warning and command system for the entire country. There is not going to be anything like that for many years.

Tractor-Drawn Wagons for the Injured

Litters transported by bicycle and tractor-drawn wagons continue to be the only way many of those who will get wounded in combat can get to a tent hospital which may perhaps be well-equipped but which is poorly manned.

In Vietnam, the average length of time which expired between the injury and the operating table was approximately 20 minutes.

In Sweden, the target is 6 hours--2 hours, at best. All experts are in agreement on the medical and psychological importance of getting the wounded under care quickly, but in Sweden there is a great shortage of trained personnel and adequate vehicles.

There are no helicopters for the medical services, and none are planned.

The army's helicopters can sometimes be used in Norrland, but they actually have other primary missions than looking after wounded soldiers.

Some years ago, the National Social Welfare Board determined that "the resources for taking care of the need for primary surgical care had proved to be completely inadequate in all combat areas." Since then, large amounts of modern equipment have been purchased, but there still is a lack of qualified personnel.

Many severely wounded soldiers are going to be taken care of by medical orderlies whose training has been brief and operated on by dentists who, at best, once sewed up a young pig injured by gunshot.

Lack of Equipment for Fighting in the Dark

There are few areas where technical developments are of as much significance as reconnaissance and fighting in darkness. With the present-day technical apparatus, one not only can "see" but one also can fire and fight almost the same as one can do during the day.

At present, all the Warsaw Pact countries' combat vehicles, all their heavy weapons and many of the small arms their soldiers carry have infrared equipment which makes it possible to see and aim at long range in the dark.

The Warsaw Pact countries now are increasing their training for fighting in the dark and a third of the combat training their soldiers receive is now given in the dark.

In Sweden, on the other hand, the working hours regulations, the subsistence allowance provisions and the lack of officers have resulted in less and less training in the dark.

In general, the Swedish units lack modern equipment for combat in the dark, and instead they have decided to light up the whole area with flares and rockets during combat.

In spite of the fact that a large part of the Swedish Army's tactics depend upon mobility and quickness, there is a great lack of good vehicles. Whereas all the Warsaw Pact countries' riflemen now ride in tracked armored vehicles, or something similar, most Swedish soldiers have to make do with bicycles, skis, tractor-drawn wagons and trucks.

Military personnel stress the fact that they do not need the great powers' heavy armored vehicles. They cannot move in snow and the Swedish marshes.

What the Swedish army needs is a sufficient number of light-tracked vehicles.

Even when the 4,000 tracked vehicles which have been ordered are delivered in 1989, not more than half of the army's mobile infantry formations will have suitable vehicles.

Increased Appropriations Will Not Help

The lack of amphibious vehicles and bridge-building equipment also makes it possible for our own formations to be checked or hindered by rivers and streams, and particularly if the few bridges are destroyed.

On the other hand, all the enemy's combat vehicles can "swim" and get across water-courses on their own.

Even dramatically increased defense appropriations in Sweden cannot increase the army's striking power and its standards in any decisive way. In spite of the fact that the army, as compared with the Air Force and the Navy, is perhaps affected the least by the more and more expensive technical military equipment, it is becoming harder and harder for a small country to keep up with developments. Our new weapons systems, or countermeasures, are becoming more and more expensive all the time.

It is becoming harder and harder for the politicians and the military to agree on how the billions of kronor are to be divided up.

Should Sweden concentrate on a large army or a modern one, or should it compromise?

More and more debaters are beginning to look askance at the army's size and think that the thing to do is to save money by reducing the number of conscripts, or at least reducing the amount of time most of them must serve.

Then there would be enough money for more modern equipment. Others think that the general compulsory military service (for males) not only provides a strong people's defense capability but also is a fundamental democratic requirement. Still others wonder whether it makes sense to concentrate the largest part of the more than 19 billion kronor on military defense each year and only give a little less than 2 billion kronor to the other branches: Civil defense, economic defense and psychological defense.

The most difficult questions for a Swedish supreme command in case of armed conflict could well be how Sweden should act if a) NATO troops came first to "protect" Sweden against aggression by the Warsaw Pact; b) Sweden did not look like it was going to be able to wage war without needing help to stop an invading army; c) NATO decided to try to stop the Warsaw Pact countries from moving against Norway through Sweden with its attack aircraft and missiles; or d) the enemy used more than occasional nuclear charges.

Three Threats

The Swedish Army is expected to plan, primarily, for the following three big threats:

--An invasion by land across the Finnish border where the Warsaw Pact's goal would be to get hold of bases in northern Norway.

--A coastal invasion against Central Sweden where the primary target also would be Norway.

--A coastal invasion directed against southern Sweden by a great power which wanted to control Oresund and Kattegatt.

Swedish Troops Which Are Easy to Move

The threat to upper Norrland is considered to have increased during recent years.

In case of such an attack, the army's tactics would amount to avoiding a direct confrontation with the enemy's main body. Where tanks, firepower and aircraft are concerned, the Soviet mechanized divisions are stronger than the corresponding Swedish units.

With their many heavy, armored vehicles, the Warsaw Pact units are forced to follow the roads, generally speaking, and they would also have to get large quantities of necessities every day. A division of a little more than 10,000 men is calculated to require at least 2,000 tons of materiel per day.

The Swedish tactic for stopping an invasion across the land frontier with Finland would amount to stopping supply shipments by blowing up bridges and roads, for one thing. The Swedish troops, which are easy to move, will also be concentrated quickly, so that they will occasionally, and locally, be stronger than the enemy.

However, in addition to the lack of vehicles, the lack of artillery is also believed to weaken the Swedish tactics considerably.

The Terrain Will Be Turned to Account

An attack against Central Sweden from the northern archipelago of Stockholm down toward the coast of Ostergotland will be met, as far as the Army is concerned, with about 10 infantry brigades capable of moving easily, which will be reinforced by armored battalions and well provided with antitank weapons.

The army will make maximum use of the Swedish terrain. The enemy is to be forced to slow down when he cannot take full advantage of his superiority in armored vehicles. The Swedish terrain, with a relatively large amount of forests and mountainous areas, will force the enemy to slow down and guide him toward our well-prepared defensive positions.

Important Coastal Area at Oresund

In southernmost Sweden, the danger of a coastal invasion almost like those in World War II is regarded as great.

An enemy's purpose would be to "secure" the coast along Oresund so that his ships could pass undisturbed. The greater part of the army is gathered there in southern Sweden. Three out of four armored brigades' and probably six infantry brigades primary missions are in the Southern Military District.

The lack of antiaircraft is also most noticeable there. Without an effective antiaircraft capability, it is believed that it will be very hard for our armored units to carry out any effective counterattacks against an enemy who has landed and is well equipped.

Armored Brigades

The 4 armored brigades which remain, along with the 11 modern infantry brigades, will be the army's most effective units. Each of our brigades includes 72 type S tanks and approximately 100 tracked, armored vehicles. Thus, all riflemen can be protected against small-caliber fire as they ride. The armored brigades have twice as many artillery pieces (24) as the other brigades.

It is the new, sometimes self-propelled 15.5 cm howitzer 77 which is being delivered to most of the brigades just now. The exact number the army has bought is a secret, but it may be somewhere around 300 pieces.

In addition to approximately 300 tanks of the S type, there is a similar number of Centurion-type tanks, distributed so that each battalion has 24. Armored battalions of this type are located in Gotland, Central Sweden and the rest of Norrland.

Local Defense

Nearly half of all the Army's soldiers, or approximately 300,000 men, are organized in local defense formations of various kinds. They have the special mission of defending the places where they are located and can be equipped with various kinds of older weapons which they have "inherited" from field units. However, local defense formations are getting modern antitank weapons. They can be older guns and antiaircraft guns which are more or less permanently emplaced without modern fire-control materiel.

Old tank turrets embedded in concrete emplacements can defend airfields, airborne landing fields, road intersections and beaches. Companies of riflemen mounted on bicycles will fight the enemy until the more modern field units can be brought together to counterattack.

The soldiers in the local defense formations are usually over 35 and have previously been in a brigade or something similar.

The Norrland Brigades

Five--formerly four--Norrland brigades are specially equipped and trained for winter warfare.

In a few more years, there will not be enough tracked vehicles and the soldiers will have to walk or ski in order to move around.

Some of their weapons are adapted to the roadless terrain of Norrland, but on the whole their armament resembles that of the infantry brigades.

Exactly like those brigades, the Norrland brigades are well equipped with weapons for use against tanks.

Nearly every third fighting man has some kind of tank-destroying weapon. Most of them are only intended for use at ranges of up to 300 meters and against less heavy armor, but Sweden has just bought 2,000 modern American wire-guided TOW-type anti-tank rockets which are intended for ranges of up to 5,000 meters.

Infantry Brigades

The modern infantry brigade, IB 77, consists of approximately 5,000 men and is to get new tracked vehicles, little by little, and become fully motorized.

An IB 77 has 12 infantry assault-gun cars, the IKV 91's, 12 howitzers and 18 mortars. Antitank weapons are mounted on tracked vehicles and jeeps.

In all, 11 of the army's 20 infantry brigades are modernized to IB 77's, 1 of them is called a mechanized brigade and gets more vehicles and extra tanks, and 8 primarily have to keep older equipment and are called IB 66's.

On various occasions, all brigades can be reinforced with 1 or more of the 100 "independent" units in the so-called "fordelningarna" (which correspond to divisions). They include artillery, tank, antiaircraft and rifle units and various kinds of support units.

Home Guard

More than 110,000 volunteer members of the Home Guard constitute the part of the army's fighting units which can be in place the quickest when the alarm sounds.

All Home Guard members have their uniforms, their weapons and a small amount of ammunition at home.

The Home Guard's most frequent mission is to be able to arrange the guarding of important places and storage depots quickly.

While the main part of the army is mobilizing and being equipped by the many thousands of storage depots all over the country, the Home Guard takes care of passport checking, etc.

The Home Guard can also have the mission of performing special guard service for airfields, ports and roads and destroys them if the enemy appears able to conquer the region. During recent years, the recruiting of former conscripts over the age of 47 into the Home Guard has increased.

Attack Craft Shortages Worry Air Force

Stockholm DAGENS NYHETER in Swedish 1 Dec 81 p 7

[Article by Peter Bratt: "Will Have to be Able to Fight Seven Days"]

[Text] "The whole thing will be a question of 7 days. We will have to be able to fight at least that long. Then NATO will have brought up its large forces, so that the whole undertaking will become altogether too uncertain for the Soviet Union," says Lars-B Persson, the commander of the Kallax Air Wing.

It is probably up here in upper Norrland that something will happen if anything is going to happen. Anybody who sits down and studies a map will quickly understand why that is so. The Soviet Union has to protect, at any price, its submarines armed with nuclear weapons which are in the Barents Sea. As long as a war is being waged with conventional weapons, NATO and the United States must have airfields and stations for signal monitoring in Norway to be able to knock them out.

Those submarines constitute the nucleus of the Soviet Union's insurance against an attack with nuclear weapons--the so-called second strike capability. Without them, the Soviet Union cannot cause widespread devastation in the United States after an attack.

That is why NATO has pushed through a demand for advance storage of weapons in northern Norway. That is why there will be a race to take over Norway at the beginning of a third world war.

One Road in Norway

There is only a single road in northernmost Norway, and it is not adequate for extensive military operations. To take Norway within the required period of time so that NATO could not manage to carry out an airborne landing of its specially trained brigade of marines and have a chance to get aviation formations up there, the Soviets would have to get through northern Norrland.

To take southern Norway quickly, too--which would be of great importance for the Warsaw Pact for the purpose of halting travel by sea between the United States and Europe--such an assault in the north would have to be combined with an invasion of Central Sweden.

But the most immediate requirement for the Soviets is northern Norway, and therefore Norrland is Sweden's most exposed region in the event of war. The West already has bases in Norway and does not have much to gain strategically by occupying Sweden. We are already functioning as a "shield for which there is no charge." To fight a war first in order to administer an occupation of a country so that one could bring one's troops there would obviously be folly.

Hence the question is: How would the Swedish Air Force cope with an assault on northern Norrland from the Soviet Union? The first question mark is not a military one but a political one.

"Will the government decide on partial or general mobilization before the first shot is fired? The politicians are perhaps going to hesitate as long as possible when confronted with the prospect of converting the country from a peacetime to a wartime status, as is indicated by the events of World War II. That is the way it is in all countries with a defense system based on compulsory military service," says Air Force General Bertil Nordstrom, who is the chief of staff of the military district. (Sweden is divided up into 6 military districts which are run by staffs made up of officers from all 3 of the military services).

The staff is located in an elegant, newly-built, hexagonal building in Boden, right next to barracks from the 18th century which are newly plastered and ocher in color. In an adjoining field, soldiers in white dash about, throwing themselves, shouting, into the snow.

What Will Finland Do?

The second question is more sensitive: Will Finland take up arms if the Soviets march through that country?

Finland is neutral, like Sweden, but it has a pact of friendship and mutual assistance with the Soviet Union which comes into force if both of them agree that "the threat of an attack by West Germany or powers allied with West Germany exists." There is reason to believe that the Swedish military planners are taking both alternatives into account--that is, Finnish resistance and an uninterrupted march through Finland.

In the latter case, there undoubtedly are plans in the air force to destroy strategic bridges, road embankments, etc. in northern Finland with attack aircraft to delay the advance.

From the strictly military point of view, that is quite natural. Whether it is politically permissible is another question.

Now to the question of the military situation. At present, the Soviets have 2 army divisions (40,000 men) and 2 regiments of marines (3,000 men) in the Murmansk region. There are 200 aircraft there, mostly naval aircraft and fighters. "A surprise attack like a bolt of lightning from a clear blue sky is out of the question. Their ground forces in the north are too weak to carry out an attack. They would have to be reinforced from the southern portions of the Leningrad military district, but if that took place we would find out about it. The air force's missions in the north are primarily defensive--except for some naval air formations--but their offensive aircraft farther south have such long ranges that they can reach targets all over Sweden and parts of Norway in a short time," General Nordstrom says.

"If we manage to bring our formations up after a mobilization, I think we have a good chance of carrying out an effective, tough defense," Nordstrom says.

The conclusion that Sweden would have to be able to fight at least a "7-day war" is based on studies and war games. Actually, many people believe that operations will take a longer time than that, on both sides. Units move faster in war-game planning than in actual combat.

Disturbing Shortages

Wing Commander Lars-B. Persson and General Nordstrom draw the following conclusions:

The air force's shortages are disturbing. In the first place, there is a shortage of fighter aircraft. In peacetime, to be sure, there will be two divisions of new Viggen in a few years, but at present there are only rather old Draken. However, more fighter aircraft can be brought up quickly. Exercises are being carried on constantly with southern formations, and since it is hard to get people to live in upper Norrland, it may be easier to let units remain in Central Sweden in peacetime.

The antiaircraft materiel is weak, too. At present, we have the 70 missile, which is guided to the target optically. Its range is only 5 kilometers, and it requires good visibility. Aside from that, there are only antiaircraft guns, and there are too few of them.

It has been decided that improvements will be made, but their practical effect will not be apparent until a number of years from now.

Cannot Cover All of Norrland

Antiaircraft in the form of guns and missiles can never cover the entire area of Norrland. Neither is it possible to provide as much antiaircraft as is required to defend all the units, fortifications, railroad lines, airfields, etc., located in that area. Fighter aircraft are needed.

It is also necessary for army units to be able to move. They are easy to detect from the air since more timber is being cleared and there is always light in the summer, and in the winter it is easy to trace heat radiation from the air and discover formations by means of their tracks in the snow. It has become hard to conceal oneself in the woods.

Fighter aircraft should protect mobilization by protecting bridges and communications facilities. Attack aircraft should knock out bridges in the enemy's area of concentration. The light attack aircraft, the SK 60, should attack when the enemy tries to repair the bridges the attack aircraft have destroyed.

"The SK 60 is a slow, vulnerable aircraft, but it can carry a good many weapons. They cannot be used in areas with strong antiaircraft defenses and are employed with discrimination. On the other hand, they are very useful against attempts at airborne landings," General Nordstrom says.

The Swedish Aircraft Are Giving a Good Account of Themselves

"How good are the Swedish aircraft by comparison with the Soviet aircraft?" he was asked.

Our aircraft are giving a good account of themselves where performance and weapons are concerned. Our leaders are very well trained and they maintain high international standards. There still are no air forces whose training is as close to active service as ours. Our lowest flying altitude is 10 meters, and perhaps we sometimes push our planes a little too hard," Nordstrom says.

"The Russian aircraft do not have top performance and they have inferior equipment. They are a bit heavy and unwieldy but capable of operating in combat," Wing Commander Lars-B. Persson says.

The countryside in Norrland is easy to defend. In May and June, the frozen soil thaws and military operations on the ground are very hard to carry out. In summertime, bogs and swampy ground make an enemy stick to the roads, and he can easily be stopped by destroying bridges and strategic sections of the roads.

In wintertime, the country is harder to defend, but the bogs only freeze over every 5 years. If snow comes before the cold weather, as is the case this year, it never freezes up and the bogs will not hold the heavier military vehicles. In summary, if the government issues mobilization orders in time, the Swedish air force, together with the rest of the armed forces, should be able to offer so much resistance in Norrland that the enemy would refrain from attacking. That is what General Nordstrom and Colonel Persson definitely believe.

Air Force Still Strong

Sweden unquestionably has a strong air force. Of course, the number of aircraft has been cut in half during the last 20 years, but the present 410 combat aircraft still correspond approximately to what a great power like France possesses. There are 12 fighter divisions with 220 aircraft of the Draken and Viggen types. The Jaktviggen aircraft are gradually replacing the older Drakens, and the last Viggen will be delivered in 1988. The Jaktviggen's armament is being modernized with new versions of the Sidewinder intercontinental missile.

There are 5 divisions of Attackviggen with 100 aircraft. That is the oldest Viggen model which has to begin being replaced in 1992. Its attack missiles of the 04 and 05 types are now regarded as completely obsolete, but they still have to be retained.

The light SK 60 attack aircraft can only be used in areas with weak antiaircraft defenses and will begin to be scrapped gradually next year and during the ensuing 10-year period. There are 55 reconnaissance Viggen which will last until at least the turn of the century.

Eight Hercules aircraft form 5 groups of transport aircraft, and there also are 10 heavy helicopters.

In addition to conscripts, 85,000 men are included in the wartime organization.

The underdeveloped antiaircraft system in upper Norrland constitutes a serious weakness. Another weakness is the command system in that area, where there is not even complete radar coverage. The aircraft warning service, in wartime, will continue to be based, in part, on optical observation--that is, people who, quite simply, look around.

Slowly and Low on the Way to the Target

If there are flying heroes, they must be in the Kallax 3rd Division. They use slow, armed training aircraft which are to be scrapped soon. Their weapons and technical apparatus are the simplest that can be imagined.

Our aircraft is the second of four to take off.

The assumption for this attack exercise is an enemy target 35 miles away. The enemy are moving forward, while at the same time they are repairing what the Swedish attack aircraft blew up earlier: Brigdes, road embankments and strategic sections of road between swamps which will not bear any weight. Our group of 4 SK 60 aircraft has various weapons which are supposed to supplement each other in a final, combined attack. When the runway runs out, we climb only a few meters. Then we hover precisely above the trees all the time, very low down in the long valleys and even lower over river channels when they open out into small lakes.

Yellow Ice and Black Water

The division commander's aircraft hangs like a big, unhappy green bird 30 meters in front of us and a few meters lower. It looks unhappy because the SK 60 looks as if its head were bent down. The sun casts long, rose-colored shadows on the desolate landscape of Norrland's tundra and the woods give an impression of being scattered thinly--when seen from 20 meters above the ground at a speed of 600 kilometers per hour.

But the landscape rolls quietly and softly toward one as it does on a motion-picture screen. In the river, streaks of yellow are mixed with black, open water, and everything is visible in the thin fluff of the woods, powdered with snow. Suddenly a big rabbit is standing there in the midst of a few trees. A rabbit? Oh, an elk, of course. One's sense of proportion is all wrong.

Elks are standing in bogs, and they jump aside in some bewilderment. Here and there, there are some houses on the bank of the river and there are small, solitary farms, lonely hamlets, the water, the woods and small bogs.

The aircraft are flying two by two. The other two hardly seem to be visible at all where they are flying a few kilometers to the right of us. That is the so-called weapon of the SK 60's: Flying at low altitude and knowing the terrain. The target is always located a bit behind the enemy's main column. Farther forward there is too much antiaircraft weaponry for these slow aircraft, but farther back along the enemy's route bulldozers are working on the road or an army column is perhaps moving slowly over a temporary bridge where the bridge abutment has been blown up. The antiaircraft weaponry is weaker there, and that is where the SK 60's will be able to attack.

The four aircraft are to assemble at the last moment and climb steeply to get a good firing angle. The rockets cannot home in on the target themselves. They are capsules for automatic guns and high-explosive rockets which have to be fired like bullets out of the barrel of a rifle. The pilots have to fly a straight course for several seconds to take aim before they can fire.

They Are Struck by the Burst Themselves

But if they remain on a straight course longer than 5 seconds they are quite certain to be shot down themselves, and if they release the rockets too close to the target they are struck by the burst themselves when leveling off, and they shoot themselves down.

The aircraft have no radar and no identification signal for their own missile-70-type air defense, and consequently they can be mistakenly shot down by their own missiles.

Very far away, in the valley, two dots are visible against the darkening blue line of the horizon where the other two aircraft are flying, and in front of them is an enormous, sallow moon. But when the aircraft disappear under the line of the horizon, they merge completely with the woods below them.

"Their fighter aircraft do not see us. Five hundred meters above us, they do not see anything if we are not flying over snow-covered fields," Lieutenant Per Nilander says. He is flying the plane with the small grip on the control stick.

Flying Upside Down

The target is getting closer. We go a little distance out over the coast and glide down even lower, only a few meters above the ice. Then something presses my body into the chair with tremendous power, pushing the blood into my legs and squeezing tight. It is the G load that is rising. The steep climb to 500 meters creates a force of 4 G's (G is a designation for acceleration of the force of gravity. At 4 G's, for example, the body is four times as "heavy" as its actual weight.) The plane is suddenly tumbled over, the wing tips are pointing straight at the ground and then we turn over and suddenly are flying upside down. There is a burning in my legs and my stomach seems to have gotten down into the chair. My lungs do not seem to be getting enough air; the oxygen mask seems to be eating it up.

After some rough jerks, the nose is pointing at the target, a triangular board painted red. The division commander's rockets dash away with a hissing sound, in chocolate-brown smoke. Then his aircraft disappears, our rockets hiss, too, and there are more jerks and violent turns.

Suddenly the division commander's plane is hanging just below ours, both of our wing tips are pointing at the ground and there is only a distance of 2 meters between the 2 aircraft. Underneath our apparently inexplicably suspended aircraft, something is amusing itself by swinging the face of the earth round and round.

The pink in the sky deepens and the turquoise grows darker. The lights of Lulea glitter against the snow. We land. At Urban Bla, the fighter division, a critique takes place after the day's flying. One of the young pilots had been on the point of crashing into a protective net with his Drake and another could not get the screen to let go after landing, but "that sort of thing happens to everybody--it is just routine." A Drake cannot match a Mig 23 in performance, for example. Should they nevertheless dare to meet them in combat? "No question about it."

They are full of arguments why that is so. They have all the advantages, are on their home grounds, know navigation, do not have to think about having any fuel left, etc.,. It produces the effect of a well-studied lesson, but has the enemy read the same book?

Navy Depends on Light Craft, Mines

Stockholm DAGENS NYHETER in Swedish 4 Dec 81 p 4

[Article by Olle Rossander and Lars Dahl: "Sweden Concentrates on a 'Light Fleet'; the Chase Is Over for the Halland"]

[Text] Over a period of just a few years, the size of the Swedish fleet has been reduced by more than half. Now it is smaller than Norway's and in a class with Denmark's. There are more warships and more nuclear weapons in the Baltic Sea than ever before.

The Warsaw Pact countries are carrying on training and building up their capability to carry out a big coastal invasion in the Baltic. In Sweden, the Navy scarcely has enough resources to chase more than one submarine at a time. The naval missile which is to replace all the scrapped destroyers will come in 1985 at the earliest.

This article on the navy is the third in a series on Swedish military defense. The two previous articles were published on 29 November and 1 December.

Sweden Concentrating on a "Light Fleet."

Twenty years ago, Sweden decided to concentrate on a new, "light fleet."

The number of ships has been reduced by more than half. Cruisers, destroyers and frigates have disappeared and what remains is torpedo boats and half of the submarines. The heaviest warships have excellent weapons in their way, but there are not enough of them.

Not until 5 years from now can the Navy hope to get the naval missile which was one of the prerequisites for a "light fleet."

The enemy's shipborne missiles travel approximately 10 times farther than the Swedish weapons.

There were both military and economic reasons for the decision to have a "light fleet."

The fact that it would be cheaper was noted at once. Two destroyers which were ready to be built, the Varmland and the Lapland, were promptly canceled.

It appeared probable that it was better from a military point of view. The nuclear age had come. The time of the big ships was past.

Small, fast ships would be able to dash against an enemy from tunnels in the rock protected against nuclear bombs, and the biggest of ships could be sunk with missiles--perhaps with nuclear warheads.

On the whole, a good deal of planning was performed at that time with the idea in mind that Sweden, too, would build or get access to nuclear weapons.

It was then that the army ordered a specially-built long-range gun suitable for firing artillery shells with nuclear warheads.

That weapon, a 15.5 cm self-propelled gun, was too expensive and too heavy and only a few were bought.

Sweden did not get any nuclear weapons. Instead, appropriations shrank and costs increased.

The navy was not able to afford everything which had been planned for, including the buying of missiles.

A French training missile, the CT 20, was converted, tested and altered, at a cost of millions of kronor, in the early 1960's. When that missile, called the 08 missile, was ready, there was not enough money to make a large purchase. The navy got a small number of them for the Halland and Smaland destroyers and the coastal artillery got a battery of missiles.

The missiles are disappearing with the destroyers and the coastal artillery will not get anymore.

The commander of the navy also was not permitted to buy a number of the American Harpoon missiles for the Spica boats. Instead, the politicians decided to give Saab and Bofors a chance, and now the next missile, the 15 millies, will not be delivered until 1985. There is not enough money for more than one set--eight missiles for each ship.

Antiaircraft Defense

Like the army, the coastal artillery and the navy's bases lack an antiaircraft defense system which can hit aircraft at a longer range than 3,000 meters. For the time being, the antiaircraft we have can only be used in daytime.

However, the coastal artillery decided not to buy the Bofors 70 missile but to concentrate, instead, on modernizing its Bofors 40 mm M48 gun antiaircraft artillery.

From higher altitudes, it is very easy, with the present-day pressure-action bombs, to "knock out soft targets," as the saying goes--that is, to kill gun crews and destroy radar installations, for instance. When that is done, it is relatively easy to precision-bomb antiaircraft guns from a low altitude.

Antisubmarine Warfare

The navy's ability to find and chase submarines and force them to the surface, unless they run aground, has proved to be slight. It is insignificantly greater in wartime. That is a consequence of the political decision to protect merchant shipping, henceforth, by "diplomatic means." If no protection is needed for shipping, no anti-submarine warfare is needed. Hence it was possible to scrap the subchasing frigates and destroyers. What is left is 10 heavy helicopters with 7 hydrophone apparatuses which, according to the navy, can chase one, and possibly two, submarines at a time in a tolerable manner.

Plans for cooperating with the Air Force's 10 large helicopters were not carried out--for reasons of prestige, many people think.

Protection against Nuclear Weapons

Another political decision which was converted into savings occurred in 1968, when it was settled that the danger of a war with nuclear weapons against Sweden had decreased. It was in that same year that NATO maintained, in a secret document, that nuclear weapons did not necessarily have to be used to stop an invasion of Europe from the east.

Just as obviously, NATO would no longer use nuclear weapons unless its adversary already was doing so.

Tactics, planning and purchasing were adapted to the allegedly reduced threat.

Plans for protective spaces for ships, staffs and other units secure against nuclear attack, which had been cut back sharply even earlier, were reduced or disappeared completely. The frequently exhibited ship tunnels at the Musko base did not get doors. The big openings are simply covered by camouflage nets and tarpaulins.

Protection for the coast artillery's most modern guns, the 12 cm m/70's, against nuclear weapons was seriously reduced because of the reduction in total costs which that would produce.

It would be hard to remedy that decision later on.

According to well-informed circles in the leadership of the navy, it was the politicians who refused to give the money for protective measures. According to those high-ranking officers, the decision is inexcusable. Exactly what is missing is classified as secret information.

Guns

The number of modern batteries has also been reduced. Instead of the 12 batteries which were planned, there are only 6. Each battery has 3 guns

That means that most of the coastal artillery's heavy, long-range gun batteries do not have proper protection against heavy weapons and have out-of-date fire control.

All plans to replace older light batteries have also had to be abandoned. As a result of, or perhaps in protest against, the lack of new guns, the coastal artillery now is allowing a battery from 1889 (57 mm m/9) to survive until 1989.

The navy, too, more than the other branches of the armed forces, has considered itself forced to cut down on training to be able to afford to buy equipment. Many units have not been exercised in military formations for so many years that they scarcely can be expected to function properly in case of mobilization.

Obsolete

Equipment for communications and the exercising of command functions is also obsolete and very insufficient in quantity in many places. In a war, many high-ranking commanders would have great difficulty making contact with all units.

Many staffs have technical telecommunications equipment which hardly functions satisfactorily in peacetime exercises. Staffs, hospitals, kitchens and the like at the permanent installations and bases lack protection, in spite of the fact that the units are judged to be targets which are exposed to air raids, for example.

None of the alternative defense plans for the next 5 years which were presented in the Defense Committee's proposal this week provides for money to remedy these deficiencies--not even the most serious ones.

This Is How We Defend Ourselves--The Enemy Is To Hit a Mine

A great deal of time has passed since Sweden's fate lay in the gloved hands which held the binoculars in a firm grip on the open bridge of a warship.

Now the decision of the politicians and the high-ranking military officers to fill our waters with mines eventually is more decisive as far as our fate is concerned. The navy's planning for defending against an invasion is based on the assumption that it is the Warsaw Pact which intends to invade Sweden to get to Norway or to get control of Oresund, that nothing important will happen north of Aland since the routes there are easy to block and that any invasion preparations will be discovered several days, or perhaps weeks, in advance, so that Sweden will have time to mobilize and put out the thousands of mines which are the weapons that are to give us an effective shield.

The Swedish decision to extend its territorial limits at sea from 4 to 12 nautical miles came about as a result of pressure from the navy, among others.

It is in this connection that one should look at the Navy's three largest ships built in recent years, the minelayers Alvsborg, Visborg and Carlskrona, which are to be delivered in the spring.

The lengthening of the territorial limits, which was a good move, will make it possible for the politicians to make a decision on minelaying in time. Mines can be laid on our own territory and can be defended diplomatically as an exclusively defensive measure which should not cause anyone to feel threatened or unlawfully affected in any way.

Air Reconnaissance

We will get warning a long time in advance by means of our air reconnaissance activities and photographing of ports in the Baltic Sea. Radio monitoring can be carried out very effectively by the Air Force's two specially-equipped Caravelles, which are modern successors of the DC 3a which disappeared during radio reconnaissance over the eastern Baltic in the early 1950's. This type of reconnaissance also takes place in peacetime.

A coastal invasion of Sweden can be carried out either in Central Sweden or in Skane. In the former case, the Warsaw Pact's target is considered to be southern Norway, and in the latter case the objective is to get control over Oresund. The most dangerous invasion for Sweden, and the most difficult for the military, is the one directed against Central Sweden.

In the case of an invasion directed against Skane, it is believed that Sweden would automatically get help from NATO. Of course, one cannot decide at an early point in time whether an invasion fleet in the southern Baltic is on its way to Skane or the NATO countries of Denmark and West Germany. Therefore it is assumed that NATO's air force and fleet will launch an attack against any invasion undertaking in the southern Baltic.

An attack farther north can only be intended for Sweden, and then the military believe that we will not get any help until NATO fears that the Swedish defense cannot stop an attack against Norway. Then they certainly will step in, even on Swedish soil.

Since the navy, generally speaking, lacks long-range weapons--missiles--it is submarines which, in addition to attack aircraft, will be the first to confront a possible invasion force. The submarines will try to sink or destroy as many ships as possible with torpedoes and mines.

First they will strike at the transport vessels, which constitute the most dangerous "burden" for Sweden: The invasion forces themselves, with thousand of soldiers and tanks, guns and equipment.

Secret Mine Plan

Exactly how many mines are to be laid, and where, is laid down in the secret mine plan, but it is very probable that the many minefields will be located at the natural obstacles in the Baltic Sea.

As can be seen from the adjoining map, a line runs from the Stockholm archipelago by way of the Franska rocks and Gotska Sand Island to Faro and from the southern tip of Gotland down toward the southern promontory of Oland and on along the coast of Skane.

For minefields to be effective, they must be defended. The air force, together with the navy's fast boats, the Spica boats, is to prevent foreign minesweepers from making openings in the belts of mines.

Closer to the coast, it is the turn of the patrol boats, which, protected by the archipelago, can launch their missiles. Then the coastal artillery, with its guns, smaller wire-guided missiles and controllable mining, is to stop whatever is left of the invasion fleet.

When described in this way, it sounds like a good defense. In the same way, the opposite can be made to appear probable. If the Warsaw Pact has decided to invade, Sweden does not get a chance to lay its mines in peace and quiet.

The essential radar equipment of our ships and coastal artillery guns is destroyed by advanced electronic warfare measures.

Many guns and bases are destroyed by bombing and by weapons guided with precision, hitting installations on the basis of information contained in computer memories which was obtained by target-locating operations carried out in peacetime.

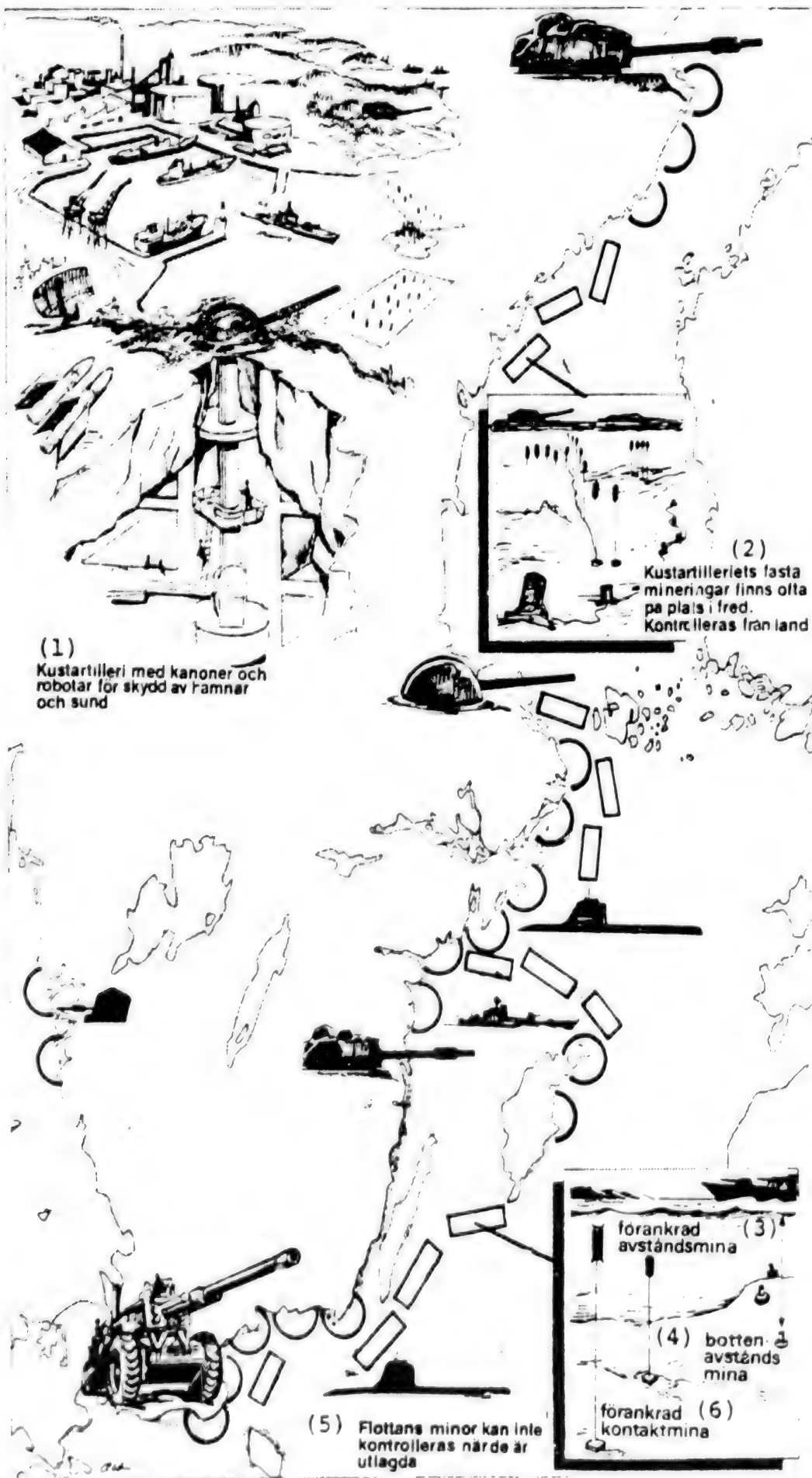
The enemy's saboteurs and frogmen destroy telecommunications cables and minefields and prevent the blowing up of important ports.

Airborne landings of elite units are carried out inside the coastline, and they prevent any reinforcements from getting through.

Most of our ships have trouble laying mines in "a harsh environment," as the commander of the navy puts it--that is, when somebody is shooting at them.

Do Not Manage

Our fast ships do not even manage to get close enough to the minesweepers to be able to stop them. The enemy can sink them with guided missiles long before our torpedoes and guns can even reach them. The number of mines we could afford to procure in peacetime is insufficient; there are big gaps. Finally, will it be a big invasion on the pattern of the 1944 invasion of Normandy? Perhaps the enemy will come unexpectedly with airborne landings and only a few ships to a small number of ports, which, however, are important ones. The worst possible thing, from the Navy's point of view, would be an enemy who came, entirely unannounced, on a Sunday morning in July, or perhaps on Christmas Eve.



Key:

1. Coastal artillery with guns and guided missiles for the protection of ports and sounds.
2. The coastal artillery's permanent minefields are often in place in peacetime. They are controlled from ashore.
3. Anchored noncontact mine.
4. Noncontact mine on the bottom.
5. The navy's mines cannot be controlled when they have been laid.
6. Anchored contact mine.

The navy's defense of Sweden is concentrated on the east coast south of Aland. In the archipelago area outside of Stockholm, Norrköping and Karlskrona and on Gotland, there are permanently-emplaced coastal artillery guns and mines which have been laid in peacetime. The navy is going to make use of the new Swedish territorial limit at sea of 12 nautical miles, laying large fields with uncontrollable mines.

Mines are to be laid in good time, and the idea is to make use of the natural obstacles. For example, mines are being laid in the channel passing Aland from the Stockholm archipelago, past the Franska Rocks to Gotska Sand Island and Faro. Minefields also will block the areas between Gotland and Öland and off the coast of Skåne.

The Navy's Equipment

Destroyers: In a few more years, there will be an opportunity to outfit a destroyer if it is considered necessary. The Halsingland will be removed next year. The Halland and Småland will remain in mothballs for a few more years, and then they will be scrapped. The destroyers are not being replaced.

Minelayers: Three minelayers, other warships and several civilian ferryboats which are being prepared for the purpose in peacetime are to be able to lay the hundreds of mines of which our minefields consist.

When they have been laid, the navy's mines cannot be controlled. They are detonated when a ship passes by, or perhaps the second or third time the mine is passed.

For example, a mine senses a ship's magnetism and detonates automatically. The modern mines contain up to several hundred kilograms of trinitrotoluene.

A mine's full effect is felt dozens of meters from the ship. It is not the explosive effect itself which causes the damage but the shock wave which is formed in the water at detonation. The ship is shaken to pieces when the shock wave reaches it.

For reasons of economy and safety, too, it has been difficult for the navy to buy and store a sufficient number of mines. In a number of cases, civilian authorities have forbidden the navy to use finished spaces prepared in rock for storing its hundreds of mines. That is regarded as too dangerous.

Patrol Boats: 17 Hugin-type patrol boats have been purchased from Norway. The Hugin not only has 57 mm guns but also 6 Norwegian Pingvin missiles with a range of approximately 20 to 25 kilometers and a less advanced homing device than the 15 missile has.

Submarines: 12 submarines, of which 4 older ones have been modernized, can use torpedoes or mines. The A 17-type submarines which are being ordered now are to replace the 4 oldest ones in the last 1980's.

Torpedo boats: In all, there are 18 Spica-type boats with 6 torpedoes (range approximately 15 kilometers) and a 57 mm gun (range approximately 5 kilometers). All of them can take a few dozen mines if the torpedoes are left at home. Beginning in 1985, the 12 most modern torpedo boats will get type-15 missiles with a range of approximately 100 kilometers.

The money will only cover 6 to 8 missiles per boat, with none in reserve. Two modified Spicas are being ordered this year. They will have type-15 missiles and antisubmarine warfare capability.

The Coastal Artillery

Permanently-emplaced artillery: Six modern 13 cm guns and 30 "middle-aged" light 7.5 cm batteries make up most of the coast artillery's guns. Twelve older (30 years old, or more) 15.2 mm batteries from the old armor-plated ships, among other sources, still remain in spite of the fact that they do not have adequate protection and good fire control.

Mobile Artillery: 10 fully-automatic mobile 7.5 cm batteries can reinforce exposed stretches of coast. Ten older mobile 15.2 cm batteries also remain. In the last 1980's, the new, heavy batteries developed from the army's howitzer 77 will be delivered.

Mines: All of the coastal artillery's mines are controlled from ashore and are exploded after the crew has determined that the ship in question is hostile. Most of the minefields which are supposed to defend important ports, etc., have already been laid in peacetime and can be made ready for use with only a few hours' warning, or nearly that.

Light Missiles: The coastal artillery has a number of smaller antitank missiles which are guided by wire and used against smaller vehicles. Their range is approximately 5 kilometers and the crew member doing the aiming must have a clear view of the target all the time.

Coastal Missiles: The coastal artillery's most secret weapon is the single heavy coastal-missile battery with a number of type-08 missiles which never has been set up. The missiles will be scrapped in a few years and not replaced. The missile has a range of approximately 400 kilometers, in theory, and travels at an altitude of more than 1,000 meters at 800 km per hour. At present, the missile is regarded as very vulnerable.

EGEDESMINDE SEEN BECOMING 'GREENLAND'S CHRISTIANIA'

Copenhagen BERLINGSKE TIDENDE in Danish 2 Feb 82 pt II p 2

[Article by Chr. Brøndum]

[Text] Egedesminde, which has persuaded several of its own young people to come back from Christiania in Copenhagen, is being referred to as 'Greenland's Christiania.' The town is subject to an enormously high rate of unemployment, rising crime rates and wanton destruction of property as well as a poor economy.

Egedesminde is a town in difficulties. Well over 3,000 inhabitants isolated on a small rocky island in the southern part of the Disco Bay are contending with an enormously high rate of unemployment, rising crime rates and wanton destruction of property as well as a very difficult economic situation within its public sector.

People outside the town refer to it as 'Greenland's Christiania,' and there is something to it.

On arriving in town, one immediately sees that something unusual is going on. On the outside wall of a burnt-down grocery store, the cause of which fire is still unknown, is a poster from the municipal authorities to the citizens asking them to maintain law and order: "The municipal authorities in Egedesminde urgently request the population to maintain and respect law and order. The municipal authorities will no longer tolerate drinking in the public squares of the municipality, on the roads or outside shops to the inconvenience of the rest of the population. The police will, in the future, be requested to intervene to a larger extent than hitherto if this request is not observed," it says.

Alarming Statistics

The chief of police of the town, Egon B. Villadsen, describes the conditions as follows: "There are 2,900 law-abiding citizens who tend to their work and, moreover, never present any problems. Then there are a couple of hundred young people without work who roam around and commit wanton destruction of property, and then there is a gang of hooligans of 10-20 year-old youngsters who commit crimes.

The statistics of the police speak for themselves: "191 burglaries, 179 cases of theft, 123 cases of wanton destruction of property, 4 assaults with intent to kill,

and 52 cases of appropriation of somebody else's property for purposes of limited use only. All of them committed by a total of 5,100 inhabitants in the police district comprising two municipalities. A total of 713 breaches of the criminal law for Greenland. And 399 injunctions, 4 suicides, and 4 attempted suicides tell their own story about some of the causes, viz. the high rate of unemployment which involves nearly 14 percent of the labor force over 14 years of age, and which especially hits the young people, and the resulting poor financial situation of the population.

The underlying reason for the high rate of unemployment is the fact that the town no longer serves as the service and trade center as well as the training center for the Disco Bay and the towns to the north as it used to. These other towns have now got their own facilities, and Egedesminde has still not managed to make up for this loss by starting other production activities. These very days, the municipal authorities are working extremely hard to establish a co-operative society of the inhabitants of the town which will purchase a trawler to create the basis for a new fish processing factory in the town. And an industrial fund of 500,000 kroner has been set up to grant loans to local fishermen. In addition, the municipal authorities hope to get a runway for small fixed-wing aircraft which will ensure more reliable communication with the outside world and thus perhaps also more activity.

In the meantime, the social expenditures of the municipality keep increasing. Social expenditure now accounts for 22 million kroner of the total budget of 56 million kroner. But, according to the chief of the Social Welfare Service, Kununguak Kleist-Johansen, who is also a member of the municipal council for Siumut, this is not sufficient for the Social Welfare Service. "In 1981, we had, for example, to have a supplementary grant of 1.7 million kroner, 15. million kroner of which were for social welfare," he says.

The reason for the comparison with the Danish 'Christiania' is, moreover, that some of the Greenlanders in 'Christiania' come from Egedesminde, and some of these Greenlanders have returned to Egedesminde, to some extent, at the initiative of the municipal authorities themselves.

Familiar Faces in Christiania

"It started when politicians and civil servants visited 'Christiania' in 1979 and saw the conditions there. We saw many faces familiar from here," Kununguak Kleist-Johansen states.

"We got in contact with the Greenland consultative office in Copenhagen and talked to 18 young people about coming back home. At first, we had no success. For already in the summer of 1980 after Assivik (summer meeting for nationalist young Greenlanders in North Greenland) we all of a sudden were left with 8-10 young people who had ended up in this town. They were given a service flat, and we tried to find work for them. But most of them went back to Denmark again. That cost us approximately 50,000 kroner just in fares.

We were not ready to receive them at such a short notice, and they went back to Denmark where social welfare payments are much higher. We now require young

people who want to come back to Greenland to be in the process of training or to be able to prove that they can perform the jobs they want to take on. We have accepted one young person, and three others are on their way. In addition, another ten young people may be coming back to Greenland," the chief of the Social Welfare Service says.

Criticism Levelled Against Returning Greenlanders

However, the resocialization process is not without problems. Criticism has been levelled by members of the municipal council that a new 'Christiania' is being created in Egedesminde, and people in the town are talking about special privileges being granted to returning Greenlanders. The chief of the Social Welfare Service admits that the returning Greenlanders may have a certain amount of influence on other young people in the town, and that especially hashish has been a huge problem. "But these young people are being blamed for everything that is going wrong in the town. Some commit crimes, but most of them are nice and friendly. They put up with an awful lot."

In this connection, the chief of the Social Welfare Service criticizes the police for being too hard on small offenders instead of concentrating on preventing the more serious crimes.

The log of the town, the local bimonthly newspaper AUSIAIT AVISAT is perhaps the best evidence of how badly things are going. A couple of excerpts: 13 April 1981: 40 young people charged in hashish case. 11 July: 30 year-old charged with assault and threat to kill disabled woman. 13 November: Manermiut, a holiday camp operated on a voluntary basis, which may be used free of charge, is almost entirely destroyed in a morbid epidemic of wanton destruction. Reinforcement of the guard at the harbor is adopted, and a special committee of young people is being set up. 30 November: The municipal authorities discuss and request young people from Christiania and problem families to leave town 'in self-defense.' Advertisements discourage people from moving to town on their own. All organizations and societies request in a letter addressed to the municipal authorities that a stop be put to punishment of violence and wanton destruction of property.

So Egedesminde certainly has got its problems. The people's trawler will be busy if it is to solve all of them.

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